

**Swearing in of Newly Elected Council Members:** at this time David Olson was sworn in as Mayor for a term ending December 31, 2022, and Emily Krage and Cody Mathers were sworn in as Council Members for terms ending December 31, 2024.

Mayor Dave Olson called the City Council meeting to order at 5:59 p.m. January 11, 2021 with the Pledge of Allegiance. Council present: Mayor David Olson, Emily Krage, Cody Mathers, Tony Schultz, and Cheryl Sanden. Staff present: Suzie Peterson, Michelle Quinn, Randy Thesing, and Brett Hurley.

**Public Comment:** Eileen Loken has continued to remain aware of discussion and plans surrounding the OHV project. The project has been 10 years in the making, during which time it has gone through and extensive process. As a business owner she feels the project needs to result in shovels in the ground. She and her husband John are present to express their support for the project as local business owners. She questioned whether there was an annual feedback process by which the project is evaluated. If the project is subject to an annual review or assessment, she expressed her opinion that there is little risk. She expressed her feelings that there is more risk in not moving the project to fruition. She shared her experience as a business owner with businesses in both Houston and Rushford. She encouraged Council to consider projects that will add to Houston's diversity and attract outside interest and money. She expressed support for various projects that will hopefully draw people to the community.

Marlene Schultz echoed Mrs. Loken's support for a variety of attractions to bring people into the community to spend money locally. She noted not everyone will agree.

Tony Schultz expressed appreciation to those who have shared their thoughts and experiences. It is important for Council to be aware of concerns and reasons to support potential projects.

**Appointments:** Motion by Schultz, seconded by Sanden to adopt the committee appointments as discussed. Motion carried unanimously.

**Official Newspaper:** Quinn reported on pricing received from three area newspapers. Discussion was held. Motion by Krage, seconded by Schultz to designate the Caledonia Argus as the official newspaper for the City. Motion carried unanimously

**Official Depository:** Motion by Schultz, seconded by Sanden to designate Bremer Bank as the official depository. Motion carried unanimously.

**Accept 2021 Donations:** Motion by Schultz, seconded by Mathers to adopt Resolution 2021-01 Accepting 2020 Donations. Motion carried unanimously.

**RESOLUTION NO. 2021-01  
A RESOLUTION TO ACCEPT DONATIONS**

**WHEREAS,** the City of Houston is generally authorized to accept donations of real and personal property pursuant to Minnesota Statutes Section 465.03 for the benefit of its citizens, and is specifically authorized to accept gifts and bequests for the benefit of recreational services pursuant to Minnesota Statutes Section 471.17; and

**WHEREAS,** From January through December 2020, the following persons and entities have offered to contribute the cash amounts set forth below to the city:

<u>Name of Donor</u>	<u>Date</u>	<u>Amount</u>	<u>Purpose</u>
Lon Omodt	Jan	\$100,027.55	Community Center
Houston United Campaign	Jan	\$2,000	Community Center
Cody & Jacqueline Mathers	Dec	\$600	Community Center
River Valley Convenience	Oct	\$1,000	Police
Houston Area Community Found	Apr	\$2,200	Library
Inez Abraham	Apr	\$100	Library
Houston Area Community Found	Jul	\$1,000	Library
American Legion Post 423	Nov	\$500	Library
Nancy Boldt Memorial	Mar	\$100	Ambulance
Valley View Nursing Home Assoc	Apr	\$200	Ambulance
Houston-Money Creek Snoriders	Jul	\$1,000	Ambulance
Arless Markegard Memorial	Jul	\$200	Ambulance
American Legion Post 423	Jul	\$250	Ambulance
Southern MN H.O.G.	Jul	\$1,210	Ambulance
Houston County Farm Bureau	Aug	\$300	Ambulance
Tracy & Brady Auger	Aug	\$500	Ambulance
Pat Hetland Foundation	Dec	\$5,000	Ambulance
Pat Hetland Foundation	Dec	\$6,000	Fire
Houston United Campaign	Jan	\$2,080	Summer Rec
Anonymous	Jan	\$1,000	Parks

**WHEREAS,** All such donations have been contributed to assist the city in the establishment and operation of facilities and programs either alone or in cooperation with others, as allowed by law; and

**WHEREAS,** The City Council finds that it is appropriate to accept the donations offered.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF HOUSTON, MINNESOTA, AS FOLLOWS:

1. The donations described above are accepted and shall be used to establish and operate facilities and programs either alone or in cooperation with others, as allowed by law.
2. The city clerk is hereby directed to issue receipts to each donor if requested acknowledging the city's receipt of the donor's donation.

**Business Health Services Master and Occupational Health Service Agreements:** Motion by Krage, seconded by Sanden to approve Master Agreement and Occupational Health Service Agreements between Gundersen Lutheran Administrative Services, Inc., and Houston City of and authorize the Quinn to sign the same. Motion carried unanimously. Agreements expire December 31, 2021.

**Summer Rec Director:** Motion by Schultz, seconded by Sanden to authorize advertising for the position of Summer Rec Director. Motion carried unanimously.

**AcenTek Quote for Community Building Data Needs:** Motion by Sanden, seconded by Schultz to approve quote for data in the Cedar Street Community Building and Police Station. Motion carried unanimously.

**Lamppost Flowers:** Sanden reported the cost is the same. Motion by Schultz, seconded by Mathers to authorize the order and purchase of business district lamppost flowers. Motion carried unanimously. It was noted a recommendation for hire to care for the flowers would be forthcoming from the personnel committee.

**Matt Mohs Update:** Mr. Mohs stated he was aware of the City's need to designate an official newspaper different from last year. Now that the designation has been made, he will be working to send the required bid notice for publication. He further noted no action was necessary at this time.

**SEMA Invoice:** Mayor reported on a quote in the amount of \$5,500 received from SEMA for the repair of the lawn tractor. He noted the invoice received for repair work far exceeded the quoted amount. Following discussion, the invoice amount was reduced to \$7,850. quote was \$5,500, invoice came in at over \$9,300. Negotiated down to \$7,850. SEMA claimed the quote was for parts only. There were additional expenses due to the overall condition of the motor. Mathers questioned warranty however the unit was no longer covered.

**Minutes and Bills:** Motion by Sanden, seconded by Krage to approve the minutes of the December 14, 2020 meeting and bills as presented. Motion carried unanimously.

#### **Department Head Updates:**

**Public Works:** No wear on the snow blades. Sweeper has been repaired and maintained ready for the spring season. Christmas décor down, trees out of town not at brush site.

**Police:** City Emergency Operations Plan provided to you for review. Will ask for approval at February meeting.

**Finance:** No report

**Clerk/Administrator:** See update which is on file. Quinn provided an update related to two nuisance properties being 409 E Cedar Street and another on Westgate Drive. It was the consensus of Council to refrain from acting on the 409 E Cedar Street property until the end of the month and to authorize the code violation and order letter be sent to the owner of the Westgate Drive property.

#### **The Following Items Placed on File:**

Correspondence from Minnesota Department of  
Revenue regarding Board of Appeal and Equalization Training

Library statistics

**Adjourn:** Motion by Schultz, seconded by Sanden to adjourn the meeting at 6:29 p.m. Motion carried unanimously.

Mayor Dave Olson called the City Council meeting to order at 6:00 p.m. February 8, 2021 with the Pledge of Allegiance. Council present: Mayor David Olson, Emily Krage, Cody Mathers, Tony Schultz, and Cheryl Sanden. Staff present: Suzie Peterson, Michelle Quinn, Randy Thesing, and Brett Hurley.

**Public Comment:** Mitch Bublitz stated he owns 13 lots on Anderson Street. He receives interest inquiries regularly. He questioned when the City intended to install water and sewer. Councilman Schultz questioned whether a development proposal had been submitted. Bublitz indicated he was unaware of the requirements and requested a list of them.

**WWTP Bid Opening:** John Graupman, Bolton & Menk reported on history of WWTP. Three bids received for the WWTP project. The apparent qualified low bidder being Wapasha Construction in the amount of \$3,471,000. The engineer's estimate struggled with updates through 4 years of inflation and had hoped the bids would be closer to \$2.5. Mr. Graupman was confident there was good competition. It is a benefit to the City that PFA is working off the last census data as opposed to new data which indicates an increase in the median household income for the area. This data is utilized to calculate affordability which determines grant versus loan ratios and the overall funding package. It is anticipated the loan will be approximately \$1.26 million, with \$2.9 million in grant funding. This funding package will also provide for the City to reimburse past expenses necessary for the commencement of the project. On the recommendation of Bolton & Menk, motion by Sanden, seconded by Schultz to award the bid to Wapasha Construction in the amount of \$3.471 million contingent upon certification off the funding package. Motion carried unanimously. Mr. Graupman anticipates the funding package information will be made available in approximately one week's time. The bid is good for 60 days.

**LRIP Grant Application:** Matt Mohs and Quinn have been working to gather data and letters of support for the LRIP Grant Application. As part of the process, Mr. Mohs has requested adoption of resolution 2021-02. Motion by Schultz, seconded by Krage to adopt resolution 2021-02 Supporting Pursuit of 2020 Local Road Improvement Program Funding from MN Dot for the Westgate Drive Reconstruction Project. Motion carried unanimously.

#### RESOLUTION NO. 2021-02

#### **RESOLUTION SUPPORTING PURSUIT OF 2020 LOCAL ROAD IMPROVEMENT PROGRAM FUNDING FROM MnDOT FOR THE WESTGATE DRIVE RECONSTRUCTION PROJECT**

WHEREAS, the Westgate Drive Reconstruction project includes Westgate Drive between West Cedar Street (TH 16) and West Spruce Street (CSAH 13), and

WHEREAS, the Westgate Drive Reconstruction project is regionally significant in that it supports adjacent economic development and business retentions, provides a paved surface with a 10-ton capacity, improves drainage, connects Cedar Street (TH 16) and West Spruce Street (CSAH 13), and provides pedestrian facilities, and

WHEREAS, the Local Road Improvement Program (LRIP) administered by the Minnesota Department of Transportation makes available up to \$1,250,000 to apply towards projects on local

roads that are regionally significant, result in safety improvements, address transportation deficiencies, and contribute to economic development, and

WHEREAS, the Local Road Improvement Program (LRIP) requires a city, such as the City of Houston, that is not a State Aid city, to have a county sponsor and the support of the County Board, and

WHEREAS, the proposed year for project construction is 2023.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HOUSTON AS FOLLOWS; that

1. The City Council hereby supports the reconstruction of Westgate Drive between Cedar Street (TH 16) and West Spruce Street (CSAH 13), and
2. The City Council hereby supports the City's pursuit of Local Road Improvement Program (LRIP) funding and authorizes staff to prepare and submit such application, and
3. The City Council hereby seeks the support by resolution of Houston County to act as Sponsor for the City of Houston's Local Road Improvement Program funding application and the associated project for the reconstruction of Westgate Drive between Cedar Street (TH 16) and West Spruce Street (CSAH 13), and furthermore the City Council hereby provides assurance that the City of Houston will pay all costs associated with the project and that city staff will ensure that all aspects of LRIP funding requirements are met and the project's schedule is adhered to.

**OHV Trails:** Mayor Olson discussed information recently gathered related to the proposed OHV Trails. An Acoustic Property Survey and Analysis Proposal was present for Council consideration.

**OHV Trails RTP Grant Acceptance, NHIS Data Request, and Submission of Environmental Assessment Statement:** The City has been awarded a Recreational Trails Program Grant. Additional Grant funding has been applied for. There is a need for the City to accept the grant and authorize the appropriate signatures. As part of the acceptance, Council will need to consider the submission of a Natural Heritage Information System Data Request Form (NHIS). There will be a cost related to the NHIS request of approximately \$90 which is a qualifying expense to be paid for with grant proceeds currently on hand. Also, submission of an Environmental Assessment Statement (EAS) is required.

Karla Bloem spoke regarding concerns with responses to 3 topics of comment in the EAS being noise, soil, and vegetation and wildlife. She expressed her opinion that the responses included on the EAS do not accurately represent the situation. She stated concern for meeting State noise standards was repeated throughout an Environmental Impact Study reported by the MN DNR. The requirement that the entrance road accommodate a two-vehicle width with backslope, she expressed strongly, the canopy will likely be impacted. She also expressed the wildlife, such as deer, in her opinion will be impacted and invasive species will spread along the trail route. Mayor Olson stated Ms. Bloem's concerns would be noted. He shared details how trails across the State meet noise standards and what mitigation measures, such as plantings along the trail are included in the design to mitigate sound and erosion. He expressed believe in the professional abilities of the federal trail designers.

Marlene Schultz spoke in support of the need for diversity in the community. She reminded guests of other initiatives which have been undertaken in the community, such as the Owl Center, and how individuals advocated for it and now it is a part of the community. She also noted the proposed location of the International Owl Center is across from the Farmers Win coop which operates grain bins contributing to noise in the community during harvest time. She encouraged the community to consider the value of diversification for the benefit of the community. The OHV Trails will increase the community's Diversification, attract visitors, increase economic activity, and draw others to the community which will in turn increase economic activity and the overall wellbeing of the area.

Motion by Schultz, seconded by Sanden to accept the grant, authorize required signatures, and adopt resolution 2021-03, to authorize submission of the Natural Heritage information System Data Request Form and accept the Environmental Assessment Statement as prepared, authorize the appropriate signature and its submission to the appropriate entity. Motion carried unanimously.

**RESOLUTION NO. 2021-03**  
**A Resolution to Accept RTP Grant and**  
**To Support the Houston OHV Trails Project**

WHEREAS, the City of Houston Supports the grant application made to the Minnesota Department of Natural Resources as part of the Federal Recreational Trails Program. The application is to construct an Off-Highway trail on private land and City property; and

WHEREAS, the City of Houston was awarded a Federal Recreational Trails Program Grant and will submit future grant funding requests for this project; and

WHEREAS, The City of Houston recognizes the twenty-five (25) percent match requirement for the Federal Recreational Trails Program and has expectation of securing those funds from the Minnesota Trails Assistance Program grants.

NOW, THEREFORE, BE IT RESOLVED, that the City accepts the grant awarded as well as any future grant awards; will enter into a contract with the State of Minnesota for the project; will comply with all applicable laws, environmental requirements and regulations as stated in the grant agreement, and

BE IT FURTHER RESOLVED, the City Council of the City of Houston names the fiscal agent for the City of Houston for this project as:

Michelle Quinn  
City Administrator  
City of Houston  
105 West Maple Street  
Houston, MN 55943

BE IT FURTHER RESOLVED, the City of Houston hereby assures the Houston OHV Park Initiative will be maintained for a period of no less than 20 years.

**Emergency Operations Plan:** Chief Hurley commented on the process to update the Emergency Operations Plan and committee members who assisted in the lengthy process. Motion by Krage, seconded by Schultz to adopt the Emergency Operations Plan as presented. Motion carried unanimously.

**Ordinance Adoption:** The Planning Board recently hosted a public hearing, as required, to discuss proposed ordinances, amendments to existing ordinances and the adoption of MN Basic Code 2019 Edition. Publishing requirements were met. No members of the public were present. Planning Board recommends the following action:

Adopt Ordinance No. 237 which repeals 216, separates unrelated topics into stand-alone ordinances and renumbers newly adopted ordinance. No change to text.

Adopt Ordinance No. 238 which repeals 216, separates unrelated topics into stand-alone ordinances and renumbers newly adopted ordinance. No change to text.

Adopt Ordinance No. 239 which repeals 216, separates unrelated topics into stand-alone ordinances and renumbers newly adopted ordinance. No change to text.

Adopt Ordinance No. 240 which repeals 216, separates unrelated topics into stand-alone ordinances and renumbers newly adopted ordinance. Reduces allowable growth from 12" to 8" and compliance period from 7 to 5 days.

Adopt Ordinance No. 241 which repeals 216, separates unrelated topics into stand-alone ordinances and renumbers newly adopted ordinance. No change to text.

Adopt Ordinance No. 242 which amends code to increase the allowable number of dogs by 1 before triggering kennel licensing. Proposed by Police Chief to accurately reflect past/current practice.

Adopt Ordinance No. 243 which adds architectural controls in R-1 and R-2 districts and defines acceptable and non-acceptable siding materials.

Adopt Ordinance No. 244 which is new and prohibits the collection of native prairie plant seeds from City owned property.

Adopt Ordinance No. 245 which repeals 205 and amends the Tree Burn Site ordinance to accurately reflect current practice.

Adopt Ordinance No. 246 which adopts the MN Basic Code 2019 Edition and restates stand-alone ordinances in effect in the City.

Motion by Schultz, seconded by Mathers to adopt the Ordinances 237 through 246 as described above, and authorize the publishing of summary of action as required. Motion carried unanimously.

**Levee Recertification:** The city has been working with Mead & Hunt on the recertification of the levee. An updated Maintenance and operations agreement with MN Dot is required. A resolution is required to keep the process advancing. Motion by Mathers, seconded by Krage to adopt resolution 2021-04. Motion carried unanimously.

RESOLUTION NO. 2021-04

BE IT RESOLVED by the City Council of the City of Houston, Minnesota, that the City enter into an agreement with the Commissioner of Transportation of the State of Minnesota providing for the limited use, under the terms and conditions set forth herein, of certain right of way of Trunk Highways 16 and 76 within and adjacent to the City.

The limited use of the right of way will be for the maintenance and operation of the flood control system consisting of, but not limited to, the locations identified on Exhibits 2.1 and 2.2 that are attached to this resolution and the surface water drains under Trunk Highway 76.

**Prairie Meadows Purchase Agreement:** Motion by Sanden, seconded by Schultz to approve the Purchase Agreement with Lee Zenke for the sale of lot 8 of block 3 of Prairie Meadows Addition, authorize the signatures of Mayor David Olson and Clerk/Administrator Michelle Quinn on the purchase agreement and closing documents, and adopt Resolution 2020-05 Authorizing Sale of Land Parcel 24.0578.000 Through Private Sale.

RESOLUTION NO. 2021-05

A RESOLUTION AUTHORIZING SALE OF LAND  
PARCELS 24.0578.000 THROUGH PRIVATE SALE

**WHEREAS,** the City Council of the City of Houston has approved the sale of the following described property:

*Lots 8 of Block 3 of Prairie Meadows Addition to the City of Houston According to the Plat thereof on file in the Houston County Recorder's Office.*

**WHEREAS,** Minnesota Statue 412.211 authorizes the sale of real estate owned by the City.

**THEREFORE, BE IT RESOLVED,** by the City Council of the City of Houston Authorizes the sale of real property parcels 24.0578.000 through private sale to Lee Zenke.

**Local Board of Appeal and Equalization:** Motion by Schultz, seconded by Mathers to schedule the LBAE meeting for May 10, 2021 at 5:30 p.m. Motion carried unanimously.

**Community Building Renovation/Paxton Electric:** Signature on a change order is required to memorialize action taken in November to approve the installation of conduit and data cables as part of the renovation project. Motion by Schultz, seconded by Sanden to authorize the signature of Mayor Olson on the change order with Paxton Electric.



**Westgate Drive:** On January 13, 2021, an order and notice of hearing was sent to the owner of PID 24.0348.000. As of the deadline, February 3, 2021, no action had been taken to bring the property into compliance. Council provided with options being seek civil injunctive relief or take a criminal path which includes issuance of citations followed by criminal proceedings. Property owner Bublitz was present and stated as of 2:00 p.m. today he had acted and shared his opinion the property was now in compliance. Mayor Olson agreed to meet Bublitz on site in follow up to his claim. They agreed to meet on Tuesday, February 9, 2021.

**Further HSA Plan Document:** Adoption of the Plan Document is part of the healthcare options authorized by Council in December. Motion by Sanden, seconded by Schultz to accept the Plan Document as presented, authorize the required signature, and adopt resolution 32021-06. Motion carried unanimously.

**CITY OF HOUSTON  
RESOLUTION NO. 2021-06**

**TO ADOPT BENEFIT PLAN DOCUMENT AND AUTHORIZE SIGNATURE**

WHEREAS, on December 14, 2020 the City of Houston Council took action to offer specific Health Benefits through Blue Cross Blue Shield and an HSA through Further for qualifying plan participants;

WHEREAS, Further requires adoption of a Benefit Plan Document to administer the HSA;

NOW, THEREFORE, BE IT RESOLVED Council adopts the Benefit Plan Document and authorizes the appropriate signatures on the Benefit Plan Document Signature Page.

**Seasonal Summer and Summer Rec Help:** Motion by Schultz, seconded by Mathers to authorize advertising for Seasonal Summer and Summer Rec help. Motion carried unanimously.

**Minutes, Bills, and Items to be Placed on File:** Motion by Krage, seconded by Sanden to approve the minutes of the January 11, 2021 meeting, the bills as presented, and the items to be placed on file. Motion carried unanimously. Items placed on file include:

Minutes of Fire Meeting held December 16, 2020  
Correspondence from MN Dept of Health regarding WTP testing results  
Monthly Library Statistics  
Rural Fire Board Association July – December 2020 Expenses

**Department Head Updates:**

**Public Works:** Thesing reported on a light pole and globe which had been damaged during snow removal. Currently waiting to learn more about replacement part availability and pricing. There may be a need to further discuss options for globe replacement, retrofitting of streetlamps and uniformity of the City's Municipal lighting.

Councilperson Sanden reported Mayor Olson, Councilperson Krage, Ken Carriere and she have been painting the new Community Building. She invited others with to come to join them to help with the painting.

**OHV Trails/Sound Study:** Citizens have expressed concerns regarding noise. Motion by Schultz, seconded by Sanden to accept the proposal submitted by OHV Acoustics LLC for an Acoustic Property Survey and Analysis Proposal in the amount of \$2,000. Motion carried unanimously. It was noted this is an eligible expense for use of grant funds.

**Adjourn:** Motion by Sanden, seconded by Schultz, to adjourn the meeting at 6:48 p.m. Motion carried unanimously.

Mayor Dave Olson called the City Council meeting to order at 6:00 p.m. March 8, 2021 with the Pledge of Allegiance. Council present: Mayor David Olson, Emily Krage, Cody Mathers, Tony Schultz, and Cheryl Sanden. Staff present: Suzie Peterson, Michelle Quinn, Randy Thesing, and Brett Hurley.

**Public Comment:** Sandy Fitting expressed opposition to the OHV Trails Project. She cited erosion and decreased property value concerns. She shared her experience with erosion which impacted South Grant Drive during the well house project. She requested information regarding when the first property was purchased by the City for the project.

Rick Fitting shared he has chosen to reside here due to the small-town feel, peace and quiet. He echoed Sandy Fittings concerns regarding the potential for erosion. He expressed his belief that decision makers may be ignoring erosion concerns expressed by SWCD. He expressed his frustration with feeling unheard and requested more information be made available to residents regarding the project.

Heidi Olson shared her concerns that trail users will not be residents and her opinion they will not bring business to the City. She stated the Houston School District is one of the best in the State, yet the City lacks amenities which would improve children's lives and funds spent on the OHV Trails may be better utilized providing for the community's children. She indicated she is not supportive of people from out of town with expensive vehicles intruding on the community. She also expressed concern for wildlife, vegetation, and erosion. She would like to see information which show how the trails would impact the City's economy.

Chris Moon values the peace and quiet of the community and is opposed to potential OHV noise which would impact the quiet he values when he returns from a day's work.

Jeannie Tippery stated she would appreciate more information about the OHV Trails project because she feels uninformed.

Jeri Virock reiterated Rick Fittings sentiment. She referenced a petition submitted years ago which was lengthy and contained many signatures. The project has languished however, the topic has recently thrust in view via social media. She stated taxes are high, yet no information has been shared. She claimed the public was prevented from attending meetings during the pandemic.

Quinn provided information related to petitions and the topic of questions which may be placed on the ballot. A copy of this information was provided to Sandy Fitting.

Lisa Skifton, representing the Silver Creek Rustlers, stated the 4H group is interested in donating a bench to be located for the benefit of those using the new community building. She is seeking any parameters which such donations are guided by. Discussion was held. Ms. Skifton shared information on the club's proposal which showed 3 options. Council asked that this be scheduled as an agenda item to be discussed further during the April meeting.

Sandy Fitting requested additional information and stated many residents do not have internet due to the cost.

Guests expressed frustration with finding out when meetings are scheduled, what the agenda items are because the agenda is posted on Fridays preceding Monday meetings. Some residents expressed

frustration with being able to adjust personal schedules to attend on such short notice and ease of access of official minutes.

Councilman Schultz stated access to information is not an internet issue. Minutes are posted and appear in the newspaper, meetings are all open to the public, the community group is a diverse group made up of farmers, OHV enthusiasts, business owners and residents. The OHV Trail Group has been present during Hoedown with an information booth to share information with community members. Residents are welcome to contact council members via phone or e-mail. He asserted Council is not "brushing anyone off". There have been many public meetings to discuss the project. Council is listening and engaging in discussion. He encouraged those present to talk to local business owners who are struggling to survive.

Heidi Olson asked when the Hoedown meetings were. Schultz stated, they were not meetings, the OHV enthusiasts have an information booth. Ms. Olson responded that she would be sharing information via social media and indicated Council should be expecting many more questions related to the project.

At this time Councilman Mathers suggested consideration be given to approaching this discussion differently due to the number of concerns being voiced.

Additional discussion occurred related to meeting notice and publication. Councilman Schultz explained how the Council is legally required to post notice of meetings and publish meetings. He assured those present this process is followed by the City. The information is available. The concern was stated again how some residents do not feel informed or know where to access the information.

It was noted the meeting schedule is posted on the City website or available by request from City Hall. Minutes are published in the official newspaper which, until December, was the Houston Banner and switched to the Caledonia Argus. All minutes and required publications appear in the Argus Shopper which is delivered free of charge to each resident of the City. Quinn stated an abbreviated version of the minutes is published since the change of official newspaper to contain costs. This abbreviated version includes all motions and resolutions as required by law and includes a disclaimer and information how to obtain the full minutes copy.

Rick Fitting expressed concerns for residents like Corey Francis whose home will be located approximately 500 feet from the trail if the proposed layout for trails is constructed. In Mr. Fitting's opinion this was "too close".

Jordan, Caledonia Argus reporter, shared that she has been reporting on the City of Houston Council meetings and that coverage is available on their website. She stated the Argus Shopper contains required publications and is delivered without subscription and free of charge to residents in the City.

At this time, the Mayor indicated there were individuals on the agenda who had additional appointments which they must attend and invited the presenter of the regular meeting agenda to begin.

**Financial Audit:** At this time Andrew Forliti representing Smith, Schafer & Associates, provided the findings from the 2020 Financial Audit. Smith Schafer & Associates issued a clean unmodified opinion. All requested documentation was provided which reflects the city's records are well kept. Mr. Forliti indicated no single audit related to Federal funding is required. The City's undesignated fund reserves increased slightly to 55% which means the City has approximately 6 months operating cash on hand.

This meets State recommendations. It ensures the City has operating cash to meet needs between significant revenue collections which occur two times a year with tax and LGA receipts. When asked how debt to revenue ratios compare with other similar sized cities, Mr. Bubany offered to respond during his presentation.

**WWTP:** Matt Mohs was pleased to report the LRIP grant application has been submitted. He is hopeful the City will be awarded funding and anticipates notification to successful applicants will be made in April or May. He commended City staff for pulling together needed information. He also commented the City acted at the last meeting to award the bid for the WWTP project and will take additional action to advance the project shortly.

**Sewer Rates:** Mike Bubany stated, as part of the final application to PFA (Public Financing Authority), the City needs revenue adequate to cover existing and new debt, operations plus 5%, and to build required fund reserves. Currently revenue is approximately \$213,000 and to meet the obligations once the new project has been included revenues will need to be \$285,000. Mr. Bubany shared projections and graphs which show how funding and debt trajectories. He also discussed factors which influence the projections. It was noted failure to incrementally increase rates has resulted in a position which will require more significant response. The revenue needs increase 35% with the completion of the project. Councilman Mathers questioned whether reserves could be utilized to reduce the increases necessary. Mr. Bubany explained how reserves provide adequate cash to be on hand to support operations between receipt of the City's two main funding sources, tax receipts and LGA which occur only two times each year. He also showed how the cities debt per capita rate is just below \$5,000 per resident. If the debt per capita exceeds \$5,000 per resident rating agencies will not look as favorably on City finances. If provided a rating by Moody's or Standard & Poors, the rating would be impacted once the debt per capita amount exceeded \$5,000. Neighboring Rushford is around \$6,000 debt per capita. This resulted following the flooding devastation in 2007 and the City has been unable to achieve the \$5,000 benchmark since.

Mr. Bubany went on to share computer models of various sewer rate modifications for Council to consider. He indicated the City's auditor would likely advise the base rate should be adequate to generate all revenues necessary to cover operations however, this would not be practical. Discussion was held regarding possible elimination of the 1,500 gallons included in the base rate. While Mr. Bubany favors simplicity, eliminated those gallons would be punitive to small users. Finance Director Peterson stated the City has approximately 200 accounts which this would negatively impact.

The City has rates which are in line with surrounding communities and others of similar size across the state. Once rates are increased to cover the project, they will still be competitive when compared to other small cities which have completed wastewater treatment plant projects. Mr. Bubany also noted, rates need to be significantly increased at this time. They will need to be increased at an estimated 2% annually in the future to keep pace with rising costs. It was noted if council takes the necessary action to raise rates at this time, they will be made effective for the July billing and no additional increases are planned until 2023. Discussion related to options was held. Through discussion it became apparent an increase of rates across the board would be the most equitable to all level of users. Motion by Sanden, seconded by Schultz to authorize the increase of sewer rates by 35% and adopt resolution 2021-07. Motion carried unanimously.

## RESOLUTION NO. 2021-07

**WHEREAS**, due to the useful life of the Wastewater Treatment Facility having been exceeded there is a need to rehab, refurbish, and upgrade the facility to prevent catastrophic failure and bring the facility to standards meeting the needs of the City of Houston for years to come, and

**WHEREAS**, the City Council of the City of Houston has awarded the project bid to the apparent qualified low bidder contingent upon PFA funding package certification; and

**WHEREAS**, as a requirement of the PFA funding package, rates need to be adjusted to assure the ability to repay loan funds and grow a minimum reserve balance;

**WHEREAS**, sewer fees are reviewed periodically and may be amended by council to ensure the sewer fund remains solvent, and

**WHEREAS**, periodic review of the financials reflects a need to adjust sewer fees to generate an additional 35% in revenues,

**THEREFORE, BE IT RESOLVED**, by the City Council of the City of Houston sewer fees shall be increased 35% over the current rate with the adjusted rates effective July 1, 2021.

	<b>Current Rate</b>	<b>Rate reflecting 35% increase</b>
<b>Base charge (includes first 1,500 gallons)</b>	\$22.88	\$30.89
<b>Usage rate per 100 gallons 1,501 to 999,999</b>	\$0.81	\$1.09

**WWTP Notice of Award:** Action to increase rates will allow for the certification of a funding package from PFA. There is a need to keep the WWTP project moving forward. The next step is to approve a Notice of Award. Motion by Krage, seconded by Mathers to approve Notice of Award and authorize the signature of Quinn on said notice.

**Chip Seal Proposal/Ellsworth:** Jack Dittmer, representing Scott Construction, provided a quote for chip seal of several areas in the City as requested. He explained how smaller chip protects better. Performing timely and preventative maintenance will double the useful life of asphalt roads. In 2016 the City paved Ellsworth Street, chip sealing will extend the life of the street. Because the work is being considered in timely the small chip, which is less expensive, is the right product for work. Scott Construction will be performing work for Houston Township therefore the City quote reflects cost savings due to decreased or no mobilization costs. The product quoted varies from County and State used chip seal which is applied using water-based emulsion which is 30-40% water and evaporates resulting in a harder surface. This harder surface is not as good at keeping cracks sealed over the long term. The product included in the City quote is heated oil with 5% diesel. The diesel evaporates and the oil bonds well to seal up cracks. Discussion was held regarding the road condition and cost to perform this maintenance on the 4 areas quoted. Motion by Schultz, seconded by Sanden to accept the quote from Scott Construction in the amount of \$22,410 to chip seal Ellsworth Street and to apply a double chip seal to a one block section of East Spruce Street which lies between Erickson and Kilborn Streets and currently gravel.

There is a need for the City to have the gravel section to be chip sealed shaped prior to the chip seal being applied. Quotes were discussed. Motion by Sanden, seconded by Schultz to accept the verbal quote submitted by Van Gundy Excavating in the amount of \$2,500 to apply 4" gravel and shape the roadbed prior to chip seal application. Motion carried unanimously.

**Community Building:** Discussion was held regarding activation of lighting the new community building. It was the consensus of council to have staff color code the appropriate breakers and draft the appropriate signage/instruction. Council authorized staff to work collaboratively to move items from the current facility over as appropriate. Council indicated a desire to have the quilts laundered and moved, the Hoedown Queen portraits are property of the Hoedown Board. The Hoedown Board will propose how to display those at the new center. Council is supportive of the portraits remaining on display at the City facility.

**Summer Rec Director Hire:** Following advertising for a Summer Recreation Director and on the recommendation of the personnel committee, motion by Sanden, seconded by Mathers to authorize the hire of Jason Carrier as Summer Recreation Director under the same terms as 2020. Motion carried unanimously.

**EMT Training/Agreement and Commitment to Serve:** Motion by Mathers, seconded by Krage to approve the agreement and commitment to serve with Deven VanGundy and authorize appropriate signatures on said agreement. Motion carried unanimously.

**Minutes, Bills, and Items to be Placed on File:** Motion by Krage, seconded by Sanden to approve the minutes of the February 8, 2021 meeting, the bills as presented, and items to be placed on file. Motion carried unanimously. Items placed on file Include:

Minutes of Fire Meeting held February 17, 2021  
Monthly Library Statistics

#### **Department Head Updates:**

**Public Works:** Public Works Superintendent Thesing reported the hot water heater in the Maple Street Community Building is leaking. Council agreed not to replace the hot water heater at this time and directed Thesing to shut it off/disable it.

Thesing noted the light switches have been discussed. Public Works staff will begin filling potholes, work to get the chemical pumps to ideal function continues. There have been no test results for radium since the test which reflected an unexplainable spike in levels.

**Street lighting:** Thesing reported matching parts are no longer available. He has found parts which are similar and expected to meet needs. The acorns are expected to cost less than \$200. It was the consensus of Council to have Thesing purchase replacements parts.

**Police:** Chief Hurley reported he anticipates moving to the new building within the next 3 weeks. The wood sign currently mounted above the City Hall entrance will be moved and mounted above the new police entrance.

Mayor move lettering from one building to other. Check how letters fastened.

**Finance:** Peterson indicated any topic to be reported on was covered during appointment presentations.

**Clerk/Administrator:** John Langheinrich, HNC Lead, reported how over the past 3 years available campsites were only rented 1.2% of the time. Camping reservations have increased 50% over last season and all reservations are campers coming to the HNC for the first time. He also expects several campers who were first time facility users last season to return again, further increasing the reservations. He has requested permission to allow camping over the Hoedown weekend. In the past the campground has not been open on this weekend. He understands the area is the "drop zone" for fireworks debris on Friday night. If there is interest, he may be willing to adjust his schedule to oversee camp set up following the fireworks display. At minimum, camping could be allowed on Saturday and Sunday when no fireworks are planned. This is a potential revenue stream which the City is not utilizing to its fullest ability. Council agreed to allow camping during Hoedown under the proposal presented.

There are books which have been donated to the HNC. They are not being utilized. The Friends have been notified and it was agreed by Council to allow staff to develop a plan to return, donate, and/or dispose of the books and rack.

**Adjourn:** Motion by Sanden, seconded by Schultz, to adjourn the meeting at 7:56 p.m. Motion carried unanimously.



Mayor Dave Olson called the City Council meeting to order at 6:00 p.m. April 12, 2021 with the Pledge of Allegiance. Council present: Mayor David Olson, Emily Krage, Cody Mathers, Tony Schultz, and Cheryl Sanden. Staff present: Suzie Peterson, Michelle Quinn, Randy Thesing, and Brett Hurley. A listing of members of the public present is on file.

**Public Comment:** Marlene Schultz has been in contact with County Commissioner Eric Johnson regarding the tax forfeited property on Chase Street. The County is taking the necessary action to maintain the property which has shingles blowing off.

Another citizen questioned what Council intended to do with the Maple Street Community Building once the Cedar Street Community Building is open for use.

**Lincoln Street Trees:** Matt Mohs provided an updated on the WWTP. During the next couple weeks dewatering will be setup and begin followed by other construction activities.

Mr. Mohs reported on 3 quotes which were solicited for trees and planting of them. The Lincoln Street project includes replacement of 10 trees. He was pleased to report the quotes came in below budget. All but a single tree will have a 2.5" caliper. In addition, tree gators, mulch and a one-year warranty are included in the quote.

In addition to the trees, concrete will be repaired in 4 locations along the project and the 2<sup>nd</sup> lift of pavement put down. Stakes have been provided to Houston City Maintenance so that homeowners along the project where trees are planned may mark the location for planting.

On the recommendation of City Engineer Mohs, motion by Krage, seconded by Schultz to accept the quote of Winona Nursery in the amount of \$6,774.06 for the Lincoln Street Trees.

**Bench Donation:** Lynn Stampka, representing the Silver Creek Rustlers, stated the 4H group is interested in donating a bench to be located for the benefit of those using the new community building. They have purchased a bench to match other City benches. Ms. Stampka shared information on the club's proposal and expressed their desire to donate the bench and flower planter for enjoyment at the New Community Building. The 4H club would maintain the flower planter. Motion by Schultz, seconded by Krage to accept the bench and planter donation from the Silver Creek Rustler 4H Club. Motion carried unanimously.

**East Spruce Street Shaping (Chip Seal Proposal):** At the March 8, 2021 Council Meeting, a quote to shape a one block section of East Spruce Street was accepted. It was later found the quote had errors rendering it invalid. New quotes were solicited. Discussion was held. Motion by Sanden, seconded by Krage to accept the apparent low quote submitted by Ole's Excavating in the amount of \$3,798 for the prescribed work. Motion carried unanimously.

**Prairie Meadows Covenants:** Prairie Meadows Covenants have been in place since the sub-division was developed. Following recent review, the City Attorney encouraged Council to act to update the covenants. The proposed amendments and process to enact them has been reviewed and discussed by the Planning Board. On the recommendation of the Planning Board, motion by Mathers, seconded by Schultz to authorize staff to carry out the procedure to solicit landowner position, adopt the First Amendment to the Declaration of Restrictive Covenants and Mutual Easements for Prairie Meadows Development, a Development in part of the Crookston's Addition and Houston 1854 Addition

Subdivisions to the City of Houston, Minnesota as majority parcel owner, and authorize the appropriate signatures on First Amendment documents for recording. Motion carried unanimously.

**Holty Addition Plat:** The Holty Addition Plat is a minor plat which reconfigures 3 existing Prairie Meadows lots into 2 Holty Addition lots which meet all City requirements. In addition, the newly configured lots will allow for the construction of twin homes which will meet all setbacks. On the recommendation of Planning Board, motion by Sanden, seconded by Schultz to approve the Holty Addition Plat contingent upon all requirements being met and authorize the signature of the appropriate City Official when the mylars are presented. Motion carried unanimously.

**Gambling Permit:** Motion by Krage, seconded by Mathers to approve a gambling permit with no waiting period for the Caledonia Wrestling Club for an event to be hosted at the Houston City Ball Field on July 25, 2021. Motion carried unanimously.

**Notice of Sewer Rate Increase:** Motion Krage, second Mathers, to approve the notice as presented and authorize the Notice of Sewer Billing Rate Increase Effective July 2021 be included with city bills in the months of May and June. Motion carried unanimously. The rate increase will be effective with the July 20<sup>th</sup> billing.

**Seasonal Summer Maintenance and Flower Care:** Motion by Sanden, seconded by Schultz to hire Dan Todd and Les Roesner for seasonal summer maintenance positions and Ken Carrier for flower care at the same rates of pay as last summer season. Motion carried unanimously. It was noted these were the only applicants for said positions.

**Cedar Street Community Building Electrical and Lighting:** This item to be carried forward to allow time for quotes to be solicited.

**Summer Rec:** The group revised the COVID Preparedness Plan to mirror current executive orders, pod sizes and outdoor group sizes match. Will incorporate the detail as of March 30<sup>th</sup>. Offer all programs which qualify. Swim Rats contingent upon the pool and transportation. Help wanted has gone out and open for sign up. Motion by Sanden, seconded by Schultz to continue to move the Summer Rec program forward, to adopt the updated COVID preparedness plan.

**Proposed OHV Trails Project Discussion:** The time being 6:24 p.m., Mayor Olsen opened the meeting for public comment and question related to the proposed OHV Trails Project. He began with good order reminders which are on file.

Sandy Fitting questioned each council member regarding the number of letters and/or phone calls each had received. Council members responded.

Anna Benda read from a written statement. She provided each council member with a copy along with a copy to be placed on file.

Jerry Tippery cited various council meetings and questioned one member's participation and familial connections. He referred to various statutes and questioned council how far they wished to take this.

Frederick Beseler shared the reasons he and his wife moved to Houston, expressed his opposition to the project due to the noise it is anticipated to generate. He questioned whether a study had been

conducted regarding potential erosion, and who would be responsible for trail maintenance. Schultz responded the trails would receive grant in aid funding. Land has been purchased utilizing recreational trail project grant funds. In the event the project fails to move forward, the City would be required to sell the property to reimburse the grant funds used for purchase. City funds would not be utilized for the trails and the city would determine hours and months of operation and would have the ability to close the trails in the event maintenance was required. As with other State trails, the city would not be liable for injury however, city emergency services would respond. Discussion was held regarding the potential for hot exhaust to cause fires which could impact the bluff or the town.

Marlene Schultz offered land to the city for use as an access easement and parking purposes.

Chris Botcher commented he has attended off road activities which are filled with injuries and drinking. The vehicles pulverize the ground. He stated he enjoys attending these activities and appreciates the powerful vehicles. He questioned the ability to enforce rules indicating he observes individuals performing wheelies on the street by his home that are not subject to discipline. He expressed concern for the safety of the community's youngsters.

Lisa Erickson prefaced her comments with an expression of appreciation for the job performed by council. She referenced a petition intended to stop the project which was signed by many residents and indicated not one person she approached refused. She reminded council they were elected by the residents of the City, not members of various user groups located near the metro. She expressed her opposition to the project. She compared the anticipated noise generated by park users to be like Hoedown when it hosts its tractor pull. She admitted she can tolerate the noise for one night but would not be able to do so day in and day out during the entire summer season. In closing, Ms. Erickson stated her son has a large loader cat and that no trail users should trespass onto their property.

Russell Williams shared he and his wife moved to the area to escape the hustle and noise of the metro. He expressed his opposition to the proposed OHV Trail Project due to the potential for the activity of the trails to degrade the peace and quiet of the town. He has participated in ATV trail riding as a pastime and admitted they are fun however, they do damage. He expressed concern how use could result in the widening of the trail bed and add to erosion concerns. Since he lives on Grant and experienced mud in his yard from water plant construction projects, he fears trails could cause erosion which could also impact his property. He questioned the value of the project and what benefit it would be to the town. He shared how the Hibbing park required user vehicles to be checked and questioned whether Houston would pay a staff member to check noise levels at the entrance. Schultz responded how some individuals have preliminary training on the use of decibel meters to do just that. In closing Mr. Williams reiterated his concerns about the project and that of his neighbors. He encouraged council to put the residents first indicating enthusiasts of this activity have many places they can go already.

Neil Slifka is a DNR biologist and represents the DNR. He participated in a 2010 review of the property by a DNR interdisciplinary team. His views are specific to a single division. He reported how Houston County has highly diverse oak savannas. To keep the rattlesnake population on the bluff their habitat needs to remain intact and be preserved. He urged great thoughtfulness in the planning expressing concern that this level of activity would surely impact habitat. He expressed his opinion poor planning on steep topography could result in massive sediment delivery onto other property. He also disputed this project being like snowmobile trails as OHV trails require greater investment, much more extensive planning, and maintenance to a standard in the topography for the proposed Houston Trails. Due to the concerns identified in 2010 he anticipates the project to be further scrutinized.

Jeannie Tippery lives near the proposed trails. She was previously provided a packet of information related to the proposed OHV Trails Project by a member of council. She expressed ongoing concerns related to erosion and noise. She also shared information from the social media pages of one of the sponsoring clubs, Rochester Rough Riders. She expressed concern how trail users will come to town, have their fun and leave. She also expressed concern how it could drive away others who visit town for other attractions.

Russ Smith lives north of town. He is a marketing and tourism professor. Mr. Smith has performed studies for communities such as Lanesboro. In terms of economic impact, smaller communities tend to think that an event, recreation activity or attraction will bring in people who will spend money benefitting the community. Unfortunately, this does not happen unless the community has businesses and facilities to capture the money visitors spend. Without the businesses or facilities, the visitor has no place to spend their money which results in zero economic benefit. Good economic development requires community support, there need to be businesses present to capture the money and incentives to open businesses able to absorb money need to be offered. He can list countless legitimate and fair attractions/events/activities which have failed to thrive without these things. He encouraged consideration be given to attractions, events and activities which draw compatible tourists. He provided an example of non-compatible opportunities such as a mom, dad and 3 kids do not travel to Miami Beach during spring break because family friendly intentions do not go well with drunken college students. Grandparents do not travel to destinations offering bungy jumping and adventure kayaking. The reason for this is these groups fail to thrive together. When groups fail to thrive together, the result may be that neither group comes consistently. He expressed his concern that Houston already has the well-established Nature Center and International Owl Center, which is planning to expand, adding a motorized vehicle recreation area may not be the best fit. He encouraged consideration be given to developing a sound comprehensive plan to aid in guiding the decision making.

Rich Carr shared statistics related to increasing fatalities on Wisconsin's OHV trails and factors believed to be contributing to the rise. He also shared his experience from walking in the area where the trails are proposed to go in. He appealed to council to keep the motorized vehicles out.

Rick Fitting invited all those opposed to the project to stand up. He questioned whether council was hearing this groups appeals to discontinue this project. Mayor Olson responded that he is listening. Mr. Fitting expressed his feelings that council is listening to the OHV enthusiasts instead of community members and residents. He suggested there are better places than the acreage within the city limits for these types of trails. He requested council consider taking immediate action to end the proposed project.

Karla Bloem read a written statement submitted by Bob Borowiak. The statement was placed on file.

Karla Bloem expressed appreciation to Council for requiring and acting to have an additional sound study completed. Noise is a primary concern. She commented how important the methodology of the study is. She questioned if it would be possible for herself or someone to be present to ensure the methodology is in the best interest of the City and residents. Schultz commented how the study could also become biased if people are aware of it taking place which results in hyperawareness. Discussion has been held with both Gilbert and Appleton officials and neither City has a history of noise complaints stemming from the OHV Parks and Trails. Ms. Bloem questioned how noise may impact wildlife and requested permission to place acoustic monitors around the property to establish a baseline which

council granted. She requested an economic impact study be performed for this specific project as it relates to the City of Houston. She also provided economic and visitor statistics which were placed on file. She expressed her thoughts that a single individual should be managing the project and park if it is constructed and questioned who that would be stating the International Owl Center has been planning and considering the financial and staffing implications of various scenarios for years which remain ongoing. She encouraged the City to re-activate a steering committee for the project. She suggested special attention be paid to the 3 "E's" of the project being engineering, education, and enforcement. She expressed continuing concerns related to potential erosion and noted these trails are much closer to town than those located in Gilbert and Appleton. She cautioned how habitat disruption may push snakes into town and increase rattlesnake human interactions. She also pointed out how the Gilbert trails are operated by Swift County and the Appleton trails by the DNR, and the proposed Houston trails do not even have a local sponsoring club.

Carol Schmieg was unaware of the plans for the proposed OHV Trails when she purchased the property she lives on. She shared how much her family enjoys the wildlife and hunting on their land and feels that the wildlife will be disrupted and disappear from their property if the trails are constructed. She also expressed concern with potential noise from the project due to her husband's work schedule which has him sleeping days when it is likely the park would be open for use. She stated it took her family 2 years to repair a bluff road following a rain event which caused significant erosion which increases her concerns related to the proposed trails.

Sandy Fitting appealed to council to listen to the residents gathered and stop the project.

Councilperson Sanden express appreciation for residents who have shared their concerns and disappointment how the only thing that brings residents to meetings are complaints. She also expressed it would be nice to receive positive feedback about council action. She encouraged residents to be involved.

Councilperson Mathers shared his belief that everyone wants what is best for Houston. He expressed his distaste for attacks appearing personal. He reiterated how most intentions are well meaning. Many members inherited this project. The meeting is a good step in communication and echoed the sentiment shared by Sanden how it seems the only time council hears from residents is when there is dissent. He expressed understanding for the passion which has brought residents out an again appealed for all to be and remain civil.

Marissa Bailey expressed her feelings that the proposed project is personal. She indicated by the appearance of those present, no one wants the project, nor will those present benefit.

Councilman Schultz shared a story about a previous Mayor, their interactions when tensions were high and how it was all left at the council table when the meeting adjourned. He shared how there are business owners who fear speaking out would result in personal attack or damage to their business. He shared council's intent to bring folks into town. He shared information from a visit he made to Appleton where an OHV Park exists. He appealed to those present to remain respectful of council and those community members who may have a different view.

Anna Benda stated citizens are not against individual council members. She reminded Council they are elected and should make decisions based on the majority of those served. She also asked that Council not get defensive in response to citizen concerns.

Jerry Tippery shared his opinion how Council does a good job. However, the citizens simply want to vote on this issue as it should be the citizens decision.

Cody Mathers commented how certain things are allowed on the ballot while others are not.

Lisa Erickson volunteered to sit on a steering committee related to the proposed OHV Trails Project.

Emily Krage thanked everyone for attending. She discouraged participants from making personal attacks. She shared information related to Rachel Christianson's Houston Owlette, a social media page promoting Houston news. The Owlette recently conducted a survey related to the proposed OHV Trails Project. Krage highlighted various information gathered by the survey which reflects a near 50/50 split of those in favor of versus those opposed. A copy of the survey detail was placed on file.

Jerry Tippery asked whether the City could hold a special election to vote on this to which the Mayor responded the City would research this.

Linda Soland referenced a book which references a cemetery on south park. It was noted an archaeological survey was conducted with no findings to support a cemetery existed in the area.

Jerry Tippery requested OHV discussion be included for discussion at the next meeting of Council.

Anna Benda reiterated her request that an investigation into her perceived conflict of interest. She questioned how citizens be notified of meetings.

Mitch Bublitz shared comments and paraphrased his understanding that residents do not want the trails close to the City or within the corporate limits. He suggested the trails be located elsewhere. He also appealed to council to ensure the trails do not negatively impact residents.

Several letters were submitted by residents which were placed on file. They include letters from the following: Marlys Comstock; Jean Stelplugh; Deborah Miller; Lee Edmiston; Arvid & Kay Nelson; Allison Boldt.

#### **Department Head Updates:**

**Public Works:** Thesing reported WWTP prep is ongoing. Hydrants have been flushed and cleared much faster. The time to clear has been reduced from approximately 30 minutes to 10 and flushing required 100,000 gallons less water. Sewer lines still need to be flushed. Residents may see the fire tanker on the streets as that equipment is used for the flushing of sewer lines. He expects to begin sewer flushing once a seasonal maintenance worker has been brought on staff. He asked that anyone noticing large potholes let the City know so they can be addressed.

**Police:** Incident statistics were provided and placed on file.

**Finance:** There was no report.

**Clerk/Administrator:** See update which is on file.

**Minutes, Bills, and Items to be Placed on File:** Motion by Sanden, seconded by Schultz to approve the minutes of the March 8, 2021 meeting, the bills as presented. Motion carried unanimously.

Motion by Sanden, seconded by Mathers to place the following items on file. Motion carried unanimously.

Correspondence from Nancy Tschumper regarding OHV Trails Project  
March Library Statistics  
Certificate of Commendation for WWTP Operations

**Adjourn:** Motion by Sanden, seconded by Schultz, to adjourn the meeting at 8.38 p.m. Motion carried unanimously.

Mayor Dave Olson called the City Council meeting to order at 6:00 p.m. May 10, 2021 with the Pledge of Allegiance. Council present: Mayor David Olson, Emily Krage, Cody Mathers, Tony Schultz, and Cheryl Sanden. Staff present: Michelle Quinn, Randy Thesing, and Brett Hurley. A listing of members of the public present is on file.

**Public Comment:** Marlene Schultz shared information from County Commissioner Eric Johnson. The County Auditor/Treasurer has scheduled a tax forfeiture sale of property located at 315 S. Chase Street for Monday, June 7<sup>th</sup> at 10:00 am.

Steve Westby requested clarification regarding citizen opportunities to speak. It was noted the public comment period was for non-OHV comments. Citizens requesting time to speak would be allowed to do so during the OHV agenda item time. Citizens have not submitted questions in advance of the meeting which was requested during the April 12<sup>th</sup> meeting. Comments are redundant. Citizens stated they have submitted questions and received no response.

**Quail Forever:** Thurman Tucker shared an educational presentation about bobwhite quail. He shared how the bobwhite quail used to be prominent in SE MN. The goal of the SE MN Chapter of Quail Forever is to improve habitat. He indicated a desire to partner with the HNC.

**Bonding for the Wastewater Treatment Plant:** A resolution was presented for the bonding required as part of the PFA financing package for the Wastewater Treatment Plant project. It is important to finalize the bonding as pay requests for the project have been received. Motion by Sanden, seconded by Krage to approve resolution 2021-08. Motion carried unanimously.

#### **RESOLUTION NO. 2021-08**

##### **RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF A \$1,198,986 GENERAL OBLIGATION TAXABLE REVENUE NOTE, SERIES 2021A, AND PROVIDING FOR ITS PAYMENT**

BE IT RESOLVED by the City Council (the "Council") of the City of Houston, Houston County, Minnesota (the "Issuer"), as follows:

Section 1. Authorization and Sale of Note.

1.01. Findings. It is found and determined to be necessary and in the best interest of the Issuer, the residents of the Issuer and the environment to finance the costs of extensive rehabilitation of the Issuer's wastewater treatment plant (the "Project") as further described in the Issuer's application to the Minnesota Public Facilities Authority (the "Lender") for project funding.

1.02. Note for Capital Improvements to Utility. It is further found and determined to be necessary and in the best interest of the Issuer and the residents of the Issuer to sell and issue a general obligation taxable revenue note of the Issuer to the Lender in the amount of \$1,198,986 to finance a portion of the Project, all pursuant to Minnesota Statutes, Sections 115.46 and 444.075 and Chapter 475 and subject to execution by the Issuer and Lender of the Minnesota Public Facilities Authority Bond Purchase and Project Loan Agreement with Water Infrastructure Funding Grant between the Issuer and the Lender dated March 29, 2021 (the "Loan Agreement").



1.03. Issuance and Sale of Note. The Issuer authorizes the issuance and sale to the Lender of the Issuer's \$1,198,986 General Obligation Taxable Revenue Note, Series 2021A (the "Note"), in substantially the form attached hereto as Attachment A to finance the Project and authorizes and approves the Loan Agreement between the Lender and the Issuer, in substantially the form presented to the Council and on file in the office of the Administrator, which is incorporated by reference.

Section 2. Execution and Delivery of Note and Loan Agreement.

2.01. Terms.

A. The Note to be issued hereunder shall be dated as of the date of issuance, shall be issued in fully registered form and lettered and numbered R-1.

B. The Note shall be in the principal amount of \$1,198,986, or such lesser amount that shall be disbursed pursuant to the Loan Agreement, shall bear interest on so much of the principal amount of the Note as may be disbursed and remains unpaid until the principal amount of the Note has been paid or has been provided for, at the rate of 1.000% per annum (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Note is payable semiannually on February 20 and August 20 as provided in Exhibit A to the Note.

C. Principal payments shall be made in the respective years and amounts set forth on Exhibit A to the Note. Principal, interest and any premium due under the Note will be paid on each payment date by wire payment, or by check or draft mailed at least five business days prior to the payment date to the person in whose name the Note is registered.

2.02. Execution. The Note and the Loan Agreement shall be prepared for execution in accordance with the approved forms and shall be signed by the manual signature of the Mayor and attested by the manual signature of the Administrator in accordance with the approved forms. The execution of the Loan Agreement by the Mayor and the Administrator is ratified and confirmed. In case any officer whose signature shall appear on the Note shall cease to be an officer before delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

2.03. Note Register. The Issuer will cause to be kept at its offices a register in which, subject to such reasonable regulations as the Issuer may prescribe, the Administrator shall provide for the registration of transfers of ownership of the Note. The Note shall be initially registered in the name of the Lender and shall be transferable upon the register by the Lender in person or by its agent duly authorized in writing, upon surrender of the Note, together with a written instrument of transfer satisfactory to the Administrator, duly executed by the Lender or its duly authorized agent.

2.04. Delivery. Delivery of the Note shall be made at a place mutually satisfactory to the Issuer and the Lender. The Note shall be furnished by the Issuer without cost to the Lender. The Note, when prepared in accordance with this Resolution and executed, shall be delivered to the Lender by and under the direction of the Administrator. Disbursement of the proceeds of the Note shall be made pursuant to the Loan Agreement.

2.05. Loan Agreement to Govern. In the event of an inconsistency between a provision of this Resolution and a provision of the Loan Agreement, the provision of the Loan Agreement shall govern.

Section 3. Accounts and Tax Levies.

3.01. Sewer Fund. The Issuer will continue to operate its Sewer Fund (the "Fund") in accordance with Minnesota Statutes, Section 444.075, to which shall be credited all gross revenues of the Issuer's wastewater utility (the "Utility"), and out of which will be paid all normal and reasonable expenses of current operations of the Utility. There are created in the Fund the following accounts: the 2021A Minnesota Public Facilities Authority Note Construction Account (the "Construction Account") and the 2021A Minnesota Public Facilities Authority Note Debt Service Account (the "Debt Service Account") which shall be separate restricted accounts in the Fund.

3.02. Construction Account. Each disbursement of proceeds of the Note which is received pursuant to the terms of the Loan Agreement shall be credited to the Construction Account. Monies on deposit in the Construction Account shall be used from time to time to pay the capital costs of the Project, including but not limited to costs of planning, engineering, legal, financial advisory, and other professional services, printing and publication costs, and costs of issuance of the Note, as such payments become due. Upon completion of the Project, any amounts left in the Construction Account shall be transferred to the Debt Service Account.

3.03. Debt Service Account. The money in the Debt Service Account shall be used for no purpose other than the payment of principal and interest on the Note and other notes similarly authorized; provided, however, that if any payment of principal or interest shall become due when there is not sufficient money in the Debt Service Account, the Administrator shall pay the same from any other funds of the Issuer and said funds shall be reimbursed for such advance from the Debt Service Account when a sufficient balance is available therein. The Issuer further irrevocably appropriates to the Debt Service Account for payment of the principal of and interest on the Note:

(a) any revenues of the Utility available in the Fund after payment in full of normal and reasonable expenses of current operations of the Utility which balances are deemed net revenues solely to the extent allocated to pay the principal of and interest on the Note when due; the portion of such payments allocated to the Note shall be transferred to the Debt Service Account no later than the last business day of the month in which such payments are received;

(b) all sums collected from the taxes, if any, extended and assessed under the provisions of Section 3.05;

(c) all income and gain from investment of the Debt Service Account;

(d) any special assessments levied or to be levied against property specially benefited by the Project, and interest thereon (the "Special Assessments"); and

(e) any funds remaining in the Construction Account after completion of the Project and payment of the costs thereof.

3.04. No Tax Levy. The full faith and credit and taxing powers of the Issuer are irrevocably pledged for the prompt and full payment of the principal of and interest on the Note, as such principal and interest respectively become due. However, the monies and payments appropriated to the Debt Service Account in Section 3.03 hereof are estimated to be not less than five percent in excess of the principal of and interest on the Note when due and, accordingly, no tax is levied at this time.

3.05. General Obligation Pledge. In the event the monies and payments appropriated to the Debt Service Account in Section 3.03 hereof are insufficient to pay principal of and interest on the Note as the same become due, the Issuer is required by law and by contract with the holder of the Note and obligates itself to levy and cause to be extended, assessed and collected any additional taxes found necessary for full payment of the principal of and interest on the Note.

3.06. Investments. Subject to the requirements of Section 7 of this Resolution, monies on deposit in the Construction Account and the Debt Service Account may, at the discretion of the Administrator, be invested in any securities permitted by Minnesota Statutes, Chapter 118A and in accordance with resolutions of the Issuer; provided, however, such investments shall mature at such times and in such amounts as will permit payments by the Issuer for authorized purposes, when due.

Section 4. Registration of Note with County Auditor. The Administrator or designee is directed to file with the County Auditor of Houston County, Minnesota, a certified copy of this Resolution, together with such other information as the County Auditor may desire concerning the Note and obtain from the County Auditor a certificate that the Note has been entered on the County Auditor's register. If any taxes are required to be levied under Section 3.04 hereof, the County Auditor will assess and extend each year the amount, or the reduced amount certified by the Administrator. The County Auditor will certify to the Administrator the assessed valuation of taxable property within the Issuer each year, and may each extend and assess the full amount of the taxes to be levied that the Administrator computes and certifies to the County Auditor.

Section 5. Authentication of Note Transcript.

5.01. Official Proceedings. The officers of the Issuer and the Auditor of Houston County, Minnesota, are authorized and directed to furnish to the Lender certified copies of proceedings and information in their official records relevant to the authorization and issuance of the Note and the execution and delivery of the Loan Agreement, and such certificates and affidavits as to other matters appearing in their official records or otherwise known to them as may be reasonably required to evidence the validity and security of the Note, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations and recitals of the Issuer as to the correctness of all facts stated therein and the completion of all proceedings stated therein to have been taken.

5.02. Absent or Disabled Officers. In the event of the absence or disability of the Mayor or the Administrator, such officers or members of the Council as in the opinion of the Issuer's attorney may act in their behalf shall, without further act or authorization, execute and deliver the Note, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

Section 6. Covenants. The Council covenants and agrees with the holders of the Note that so long as any payments under the Note remain outstanding and unpaid, they will keep and enforce the following covenants and agreements:

(a) The Issuer will continue to maintain and efficiently operate the Utility or continue to cause the Utility to be maintained and efficiently operated as a public utility and convenience free from competition of other like utilities, and will cause all revenue therefrom to be deposited in bank accounts and credited to the Fund and accounts therein as herein above provided, and will make or authorize no expenditures from those funds and accounts except for a duly authorized purpose and in accordance with this Resolution.

(b) The Issuer will also maintain or cause to be maintained the Debt Service Account as a separate account in the Fund and will cause monies to be credited thereto from time to time out of net revenues from the Utility, in sums sufficient to pay principal and interest on the Note and obligations similarly authorized when due.

(c) The Issuer will keep and maintain or cause to be kept and maintained proper and adequate books and records of accounts separate from all the records of the Issuer in which will be complete and correct entries as to all transactions relating to the Utility and which shall be open to inspection and copying in accordance with the Loan Agreement by the Lender or the Lender's agent or attorney at any reasonable time, and it will furnish certified transcripts therefrom upon request and upon payment of a reasonable fee therefor and said account shall be audited at least annually by a qualified public accountant and statements of such audit and report will be furnished to the Lender in accordance with the requirements of the Loan Agreement.

(d) The Issuer will cause the funds collected on account of the operations of the Utility to be deposited in a bank whose deposits are guaranteed under the Federal Deposit Insurance Law.

(e) The Issuer will keep the Utility insured or cause the Utility to be insured at all times against loss by fire, tornado and other risks customarily insured against with an insurer or insurers in good standing in such amounts as are customary for like utilities to protect the Lender and the Issuer from any loss due to such casualty and will apply the proceeds of such insurance to make good any such loss.

(f) The Issuer and each and all of its officers will punctually perform all duties of reference to the Utility as required by law.

(g) The Issuer will impose and collect charges or cause the imposition and collection of charges of the nature authorized by Minnesota Statutes, Section 444.075 at the times and in the amounts required, along with the monies and payments appropriated to the Debt Service Account in Section 3.03 hereof, to produce net revenues of the Utility adequate to pay all principal and interest when due on the Note, and to create and maintain such reserves securing said payments as may be provided in this Resolution.

Section 7. Covenants with Respect to the Lender's Bonds. The Issuer agrees to cooperate with the Lender as necessary to maintain the tax-exempt status of any bonds issued by the Lender either to fund the Note or which are secured by the Note (the "Bonds"). The Issuer specifically agrees:

(a) Any sums from time to time held by or under the control of the Issuer which would constitute "gross proceeds" of the Bonds ("Gross Proceeds"), as defined in the Internal Revenue Code of 1986, as amended, and the regulations in effect with respect thereto (the "Code") shall not be invested at a yield in excess of the applicable yield on the Bonds. Disbursements of proceeds of the Note shall not be reinvested by the Issuer. In addition, said Gross Proceeds shall not be invested in obligations or deposits issued, guaranteed or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(b) The Issuer covenants not to use the Project or to cause or permit it or any of it to be used, or to enter into any deferred payment arrangements for the cost of such Project, in such a manner as to cause any Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

(c) With respect to any Gross Proceeds, the Issuer shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code and the interest on any Bonds, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Bonds, and the rebate of excess investment earnings to the United States.

(d) The Issuer shall comply with such instructions as may be provided from time to time by the Lender with respect to gross proceeds of Bonds.

**Wastewater Treatment Plant:** Motion by Schultz, seconded by Mathers to pay estimate #1 from Wapasha Construction in the amount of \$78,094.75. Motion carried unanimously.

**Fire Department Staffing:** Chief Skifton reported there is a trained firefighter who would like to join the department. There would be no onboarding costs associated with this individual's hire. The department has openings, and this applicant is Firefighter 1 & 2 certified. Motion by Schultz, seconded by Sanden to hire Dylan Schultz as a roster firefighter with a 60-day probationary period. Motion carried unanimously.

**Cooperative Agreement with City of Caledonia for Mutual Aid Caledonia Ambulance:** Following discussion, motion by Mathers, seconded by Schultz to approve the Cooperative Agreement Providing for Advanced Life Support Intercept Service and authorize the Ambulance Director's signature. Motion carried unanimously. The agreement expires in 3 years.

**Lease of School Athletic Fields:** In 2020 the City entered into a lease agreement with ISD 294 for the use of certain school owned athletic fields for summer rec activities. The parties wish to renew the lease agreement for the 2021 summer recreation season. Motion by Schultz, seconded by Sanden to approve the Lease Agreement with Independent School District No. 294. Motion carried unanimously.

**Summer Rec Hires:** Interviews with applicants for summer rec staffing took place on Wednesday, May 5<sup>th</sup>. On the recommendation of the Parks and Rec committee, motion by Sanden, seconded by Mathers to authorize the hire of the following; Nicole Beckman, Olivia Beckman, Lilly Carr, Lilly Davenport, Emma Forsyth, Priya Kingsley, Conner Porter, Becca Rostad, and Sydney Torgerson. Motion carried unanimously. It was noted the Covid plan, adopted at the last meeting, has been updated to reflect current guidance.

**Community Building Electrical and Lighting Quotes:** Two quotes were received for lighting and electrical at the new building. It is necessary to secure certain circuits supplying power to the building. Lighting quotes were solicited to improve the lighting and make it energy efficient. Quotes were received from Hoskin's Electric and P & T Electric. It was noted there are funds available in the infrastructure account to cover the expense. Motion by Schultz, seconded by Sanden to table action until the regular June meeting. Motion carried unanimously.

**Concrete Work:** Maintenance Superintendent Thesing provided information related to two areas of concern. The first being sidewalk in front of the Community Building, and the second being a section of curb on Elm Street. Quotes were solicited. While Cedar Street is slated for rehabilitation by the State, the project is not scheduled until 2027. Two sections of the sidewalk are badly broken, and the balance of panels all have cracks. Discussion was held. Motion by Schultz, seconded by Mathers to accept the quote of RG Steinfeldt in the amount of \$1,550 for sidewalk replacement. Motion carried unanimously. No action was taken regarding the Elm Street curb section.

**Community Building Gutters:** It is known the lack of gutters on the community building contribute to the deterioration of the hard surface around the building, complicate the maintenance of the hard surface and could pose a trip hazard in mild weather or a slip hazard if ice is allowed to accumulate or develop. Quotes for the installation of gutters were solicited. Council requested clarification regarding what was meant by upper and lower levels on the quote. Thesing will find out and return to Council with that information.

**Mission 66 Playground Woodchips:** The National Honor Society is providing community service. It is necessary to add to the woodchips in the Mission 66 Playground. Quotes were received from Ole's Excavating, Chester Pozanc and Staggemeyer Stave were received. Resident raised concern that the woodchips be wheelchair compatible as it is an all-abilities playground. Motion by Sanden, seconded by Krage to accept the quote of Ole's Excavating. Both Sanden and Krage rescinded their motion. No further action is anticipated since there is not adequate time to investigate acceptable chip types, secure additional quotes and have product delivered prior to the National Honor Society service day.

**Plunkett's Service:** Discussion was held regarding Plunkett's Services. Motion by Mathers, seconded by Krage to include pest control service for the Cedar Street Community Building through the 2021 season. Motion carried unanimously. The pest control service locations to be reviewed in conjunction with 2022 budgeting.

**Temporary Liquor License:** Motion by Mathers, seconded by Sanden to approve, authorize submission and appropriate signature on the application and permit for a 1 day to 4 day temporary on-sale liquor license for Houston Hoedown Days for an event to be held July 23 through 25, 2021. Motion carried unanimously.

**Westgate Drive Nuisance:** Discussion was held regarding the code violations at the north entrance of Westgate Drive on parcel 24.0348.000. The city may pursue either criminal or civil options. No action was taken.

**Proposed OHV Trails Project Discussion:** The time being 6:41 p.m., Mayor Olson opened the meeting for public comment and question related to the proposed OHV Trails Project.

Steve Westby reported on the number of signs which have been placed in yards around the City, and those individuals he and his wife have spoken with.

Trails will be maintained by Clubs and the expense for maintenance reimbursed through DNR Grant in Aid funding.

Those present encouraged Council to install hiking trails which are used by many instead of the OHV Trails which are utilized by only 6% of Minnesotans.

Jim Edwards asked those present their stance on the OHV Trails.

Steve Westby commented on how noisy OHV's are. He attributed the noise to the fact that the vehicles have all been worked on.

The Mayor stated the City would be required to repay approximately \$400,000 in grant funding. The property would not be marketable as hunting land because it was annexed into the City where firearms may not be discharged.

Citizens shared the microphone amongst themselves while speaking out of turn and failing to identify themselves.

Steve Westby shared an experience with sand filling storm sewers when a City project was taking place and questioned how property owners would be impacted by landslides. He encouraged Council to explore solar power. He expressed his frustration with feeling unheard and appealed to Council to listen to residents and explore other options.

Jim Edwards stated residents complain about ATVs in town.

Someone stated residents want to see a plan for the operations and an economic study to show the benefit the trail system will have for the town. They questioned whether the economic impact would outweigh the destruction and disruption.

Jerry Tippery questioned how OHV Trails would reduce taxes.

Someone noted how no financial planning related to the trail has been presented.

Someone questioned the cost to care for and maintain the trails.

Sandy Fitting shared her thoughts of how upsetting this project is to her and that she must speak up because of that. She asked how many letters and calls members of council had received. She shared her opinion that the project is tearing the town apart. Many people are hiking in the area which trails are

proposed for. She claimed there is natural erosion occurring and expressed concern whether trails could be installed that would not erode.

Mayor Olson commented how this project has been ongoing for 12 years. Until visiting an OHV Trail system he was not supportive. Once he learned more and witnessed how it was viewed by the host community, he became more open to the idea.

Steve Westby stated the Council was elected and entrusted with making decisions. There are residents present who do not feel this project is a good idea.

Sarah Jilk Thompson expressed concern with the lack of information about the project. She shared her understanding this project was no longer taking place until she learned differently during a recent council meeting. She does not understand how the OHV Trails will bring money into town. OHV Trails attract tourism. She questioned what the town has to offer to OHV enthusiasts.

Larry Connery shared his belief the project will negatively impact property values and requested a study be conducted to determine the impact. Expenses are fixed, there is latitude to increase taxes. Reducing the value over which to spread the burden will impact not only the City but the County and School District as well. He strongly encouraged Council to consider this.

Anna Benda stated the mark of a good city council is people do not come to meetings. Residents are not attacking council; they are expressing frustration. It will show how good a council you are when you do listen. She expressed her ongoing concern with erosion. She shared various facts and statistics from written materials which are on file.

Sandy Fitting expressed concern for residents of ABLE who are sensitive to noise. She submitted various written items which are on file.

Scott Wallace questioned whether Council would consider putting together a business plan and feasibility study. These would be common if this were a private entity seeking lending. He commented on the relationship between risk and reward. It was noted CEDA may be able to provide some assistance in this regard. He encouraged the study to project the long-term benefits.

Mathers expressed concerns related to additional spending.

Quinn stated an exit strategy is being researched, due to the funding streams accessed there are details which require research. The information is not yet available.

Tourism towns typically have great people. There are visitor's towns do not want to see return. The welcome committee is here tonight. The question was asked how they will make visitor's feel. Everyone needs to be on board for this project to be successful.

Jim Edwards would like to grow businesses. Discussion was held regarding lost opportunities and failed restaurants. It was noted sustainable business needs more than a single patron.

Residents expressed their desire to expand hiking and biking trail opportunities and indicated they would place their property for sale if the OHV Trails were constructed. They appealed to council to look in their hearts and make decisions in the best interest of the town.



Bob Borowiak shared his opinion after a couple of seasons, maintenance expenses and responsibilities will land on city staff. The City does not have the equipment, time, or knowledge to care for this type of trail system.

When asked about the status of the noise study, Mayor Olson responded Council has requested information to learn more about a potential exit strategy. He does not anticipate Council taking action that would increase expenses related to the project until exit details are better understood.

Karla Bloem read from a prepared statement which is on file.

### **Department Head Updates:**

**Public Works:** Randy Thesing reported the first pay request related to the WWTP has been received. The contractor has mobilized, and dewatering wells are being installed. He requested Council consider building paint colors as a decision in this regard is needed. He reported Lincoln Street is scheduled to be paved on Wednesday or Thursday. The trees have been planted. He questioned whether anyone had noticed the street light globe and whether the style was acceptable. It was the consensus of Council to go ahead with the new style globe. Summer help is on board and each are working 3 days per week.

**Fire:** The newest fire truck failed a recent flow test. Estimates to make the necessary repairs have been estimated at \$17,000 and will cause the truck to be out of commission for a 2-week period. The pancake breakfast fundraiser went well. It was a drive through event with less meals served however, that was offset by increased donations through the mail. With recent changes to COVID restrictions it is possible the department may attempt to coordinate a gun raffle.

**Police:** No report.

**Finance:** No report.

**Clerk/Administrator:** See update which is on file.

**Minutes, Bills, and Items to be Placed on File:** Motion by Sanden, seconded by Schultz to approve the minutes of the April 12, 2021 meeting, and the bills as presented. Motion carried unanimously.

Motion by Krage, seconded by Mathers to place the following items on file. Motion carried unanimously.

Project update correspondence from Matt Mohs

Lincoln Street Community Letter

Letters submitted related to the OHV Trails Project from the following: Therese Sherbel, Andrea Kiepe, Pan van Muijen, Jerald Wuorenmaa, Angeline Jacques, Andie Harveaux, Dalton Mensink, Marley Benedum, Arvid & Kay Nelson, Jenny Scholtes, Sarah Dennet, Pam Griffith, Marjon Savelsberg, Karen Todd, Marissa Bailey, Joshua & Chelsey Kruckow, Mary Dahle, Mary Walker & Duane Peterson, Holly Westby, Deb Ambuehl, Denise Rostad, Mary Ihrke, Margaret Carlson

Fire meeting minutes from April 21, 2021

**Adjourn:** Motion by Sanden seconded by Schultz, to adjourn the meeting at 8:00 p.m. Motion carried unanimously. The next regular meeting of the Council is scheduled for June 14, 2021.

Mayor Dave Olson called the City Council meeting to order at 6:00 p.m. June 14, 2021, with the Pledge of Allegiance. Council present: Mayor David Olson, Emily Krage, Cody Mathers, Tony Schultz, and Cheryl Sanden. Staff present: Michelle Quinn, Ed Jacobs, and Brett Hurley. A listing of members of the public present is on file.

Mayor Olson shared opening remarks. He stated this is a meeting to conduct city business and asked guests to refrain from discussion unless recognized. He stated reserved seating has been made available for hearing impaired guests. He reiterated side conversations needed to be taken out of the building.

**OHV Trails Project Presentation by MN DNR Staff:** At this time DNR staff Joe Unger, Kelli Bruns, and Angela Yuska made self-introductions. Karen Umphress was also present and introduced herself. Joe Unger announced an open house would be scheduled to allow the public an opportunity to learn more about the project and have questions answered. Karen Umphress stated she has been involved in the project since 2009 on a fully volunteer basis. She further noted the DNR along with sponsoring OHM enthusiast clubs approached the city about this project. A PowerPoint was presented. A copy of which is on file.

It was noted the city should consider three points regarding a potential exit plan:

1. Cash repayment of \$229,730 in Federal Recreation Trail Program fund and \$286,793.09 in Grant in Aid state funding would be required.
2. Due to deed restrictions, it would be unlikely the city could sell the property to generate the cash for repayment and the property ownership would revert to the State of Minnesota.
3. The city may risk future awards of DNR Grant funding.

Residents expressed they did not want the project. Many individuals began speaking without first being acknowledged or stating their names for the record. Comments included reference to sand slides on Grant Street during the water treatment plant project, DNR staff members who spoke at a recent public meeting against the project, the concern for and number of rattlesnakes, residents claim they would not have purchased property or moved to the area if they had been aware of the project.

Larry Graf questioned whether the process could be returned to a point when residents could submit comment. Joe Unger stated the DNR has gone through the appropriate process which has been concluded.

Due to the chaotic nature of the business meeting the mayor restored order by ending the public comment and assuring residents the open house would provide them the opportunity to discuss the project and stating the city has business to conduct.

**Wastewater Treatment Plant:** Motion by Sanden, seconded by Schultz to pay estimate #2 from Wapasha Construction in the amount of \$228,137.75. Motion carried unanimously.

**ARPA (American Rescue Plan Act) Fund Acceptance:** Motion by Schultz, seconded by Mathers to adopt resolution 2021-09 which authorizes staff to request and accept ARPA Funds not to exceed 75% of the 2020 City budget. Motion carried unanimously.

#### **RESOLUTION NO. 2021-09**

#### **A RESOLUTION TO ACCEPT THE CORONAVIRUS LOCAL FISCAL RECOVERY FUND ESTABLISHED UNDER THE AMERICAN RESCUE PLAN ACT**

**WHEREAS**, since the first case of coronavirus disease 2019 (COVID-19) was discovered in the United States in January 2020, the disease has infected over 32 million and killed over 575,000 Americans (“Pandemic”). The disease has impacted every part of life: as social distancing became a necessity, businesses closed, schools transitioned to remote education, travel was sharply reduced, and millions of Americans lost their jobs;

**WHEREAS**, as a result of the Pandemic cities have been called on to respond to the needs of their communities through the prevention, treatment, and vaccination of COVID-19.

**WHEREAS**, city revenues, businesses and nonprofits in the city have faced economic impacts due to the Pandemic.

**WHEREAS**, Congress adopted the American Rescue Plan Act in March 2021 (“ARPA”) which included **\$65 billion in recovery funds for cities across the country.**

**WHEREAS, ARPA funds are intended to provide support to state, local, and tribal governments in responding to the impact of COVID-19 and in their efforts to contain COVID-19 in their communities, residents, and businesses.**

**WHEREAS**, not more than 75% of the 2020 City budget will be allocated to the City of Houston pursuant to the ARPA (“Allocation”).

**WHEREAS, the United States Department of Treasury has adopted guidance regarding the use of ARPA funds.**

**WHEREAS**, the City, in response to the Pandemic, has had expenditures and anticipates future expenditures consistent with the Department of Treasury’s ARPA guidance.

**WHEREAS**, the State of Minnesota will distribute ARPA funds to the City because its population is less than 50,000.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, MINNESOTA AS FOLLOWS:**

1. The City intends to collect its share of ARPA funds from the State of Minnesota to use in a manner consistent with the Department of Treasury’s guidance.
2. City staff, together with the Mayor and Council are hereby authorized to take any actions necessary to receive the City’s share of ARPA funds from the State of Minnesota for expenses incurred because of the Pandemic.
3. City staff are hereby authorized to make recommendations to the City Council for future expenditures that may be reimbursed with ARPA funds.

**Community Building Electrical and Lighting Quotes:** Quotes from Hoskin's Electric and P & T Electric were discussed. It was noted Hoskin's provided tear sheets and pictures as requested and is local. P & T Electric failed to provide the requested tear sheets. Motion by Sanden, seconded by Schultz to accept the quote of Hoskin's Electric in the amount of \$8,988 for Options 1, 3, and 4. Motion carried unanimously.

**Community Building Gutters:** Latsch gutter provided clarification regarding what is included in the quote provided. Motion by Schultz, seconded by Sanden to accept the quote in the amount of \$2,100 for upper and lower gutters including installation. Motion carried unanimously.

**Summer Rec Storage Shed Quotes/Options:** Krage indicated there may be adequate space for storage if the equipment is gone through. She did not request any action be taken at this time. Schultz suggested the school shop program may be able to assist with constructing shelving.

**Summer Rec Hire:** Motion by Mathers, seconded by Sanden to hire Kenny Grupe to assist with Summer Rec on an as needed basis. Motion carried unanimously.

**Nature Center Assistant:** Motion by Krage, seconded by Mathers to accept the resignation of Michaela Spear effective August 13, 2021, to approve the revised position description for Nature Center Assistant and to authorize conducting a competitive search for a Nature Center Assistant. Motion carried unanimously.

**High Limb Trimming of Boulevard Trees:** Several high limbs on boulevard trees should be trimmed. Many of the limbs are located near school properties. It was noted there are funds within in the budget to cover the expense. Motion by Schultz, seconded by Krage to authorize public works to engage the services of Krumrie Tree Service to perform high limb trimming of boulevard trees at a rate of \$180 per hour for man, machine & chipper. Motion carried unanimously.

**HNC Brochure:** Council extremely pleased with brochure. There are minor syntax errors which need to be corrected prior to printing. Motion by Sanden, seconded by Schultz to approve the revised HNC Brochure, have it printed and distributed. Motion carried unanimously.

#### **Department Head Updates:**

**Public Works:** Jacobs reported on the current activities taking place on the WWTP project.

**Fire:** Last month was significant repair. \$17k to rebuild, \$6k cheaper, passed the test the second time. Just under \$2,000 repair bill.

**Police:** See report which is on file.

A resident alleged squirrels in the 400 and 500 block area of South Grant Street are being shot.

**Finance:** No report.

**Clerk/Administrator:** See update which is on file.

**Minutes, Bills, and Items to be Placed on File:** Motion by Krage, seconded by Sanden to approve the minutes of the May 10, 2021 meeting, minutes from special meetings held May 12, 24 and June 10, 2021 and the bills as presented. Motion carried unanimously.

Motion by Mathers, seconded by Krage to place the following items on file. Motion carried unanimously.

Correspondence from Matthew Fitting, Holly Westby, MN DNR related to OHV Trails Project, and  
Marlene Schultz

Letter of non-award from MN DOT regarding 2020 LRIP Grant Program

Complaint from Citizen

Various news articles shared by a citizen

**Public Comment:**

Ron Burfield stated he had volunteered to serve on the advisory committee. However, he had not been contacted in this regard. It was noted the advisory committee has not met nor had council reviewed participation.

Marlene Schultz read from a prepared statement which is on file.

Terry Jergenson commented on the complaint which was provided to Council. Discussion was held. It was the consensus of council to gather additional information related to Houston County K-9 program which utilizes a training field in the city's industrial park and Bluffview Park.

Jeri Virock questioned how the information related to the OHV Project open house would be disseminated.

Joel Twaiten expressed disappointment with how it appears the OHV Trails Project is dividing the town.

A resident sought confirmation that the city would not be able to sell the acquired property for the OHV Trails Project to repay the grant funding already expended on the project.

**Adjourn:** Motion by Schultz, seconded by Sanden, to adjourn the meeting at 7:38 p.m. Motion carried unanimously. The next regular meeting of the Council is scheduled for July 12, 2021.

By: \_\_\_\_\_

David Olson, Mayor

Attest: \_\_\_\_\_

Michelle Quinn, Clerk/Administrator

Mayor Dave Olson called the City Council meeting to order at 6:00 p.m. July 12, 2021, with the Pledge of Allegiance. Council present: Mayor David Olson, Emily Krage, Cody Mathers, Tony Schultz, and Cheryl Sanden. Staff present: Michelle Quinn and Brett Hurley. A listing of members of the public present is on file.

Mayor Olson shared an opening statement which is on file. Notice posted of reserved seating for hearing impaired guests.

**Presentation of Raffle Basket:** Matt Mohs, representing Bolton & Menk, presented Council with a raffle basket containing 4 tickets to a Minnesota Twins game along with additional items to complete the recipients game day experience. Bolton & Menk donates these to their customers for their annual summer/fall festivals.

**Lincoln Street Project:** Matt Mohs reported the signs which were loose have been fixed. Council should anticipate the package for final payment to be forthcoming and available for action at the August meeting.

**Wastewater Treatment Plant:** Matt Mohs reported on excavation, concrete, rebar, and work on tanks which has been completed and that additional concrete and work on the clarifier continues. Motion by Schultz, seconded by Krage to pay estimate 3 from Wapasha Construction in the amount of \$152,413.25. Motion carried unanimously.

**Electric Vehicle Charging Station:** Kent Whitcomb, representative from MiEnergy provided information regarding the EV Charging Station program. Dairyland Power is partnering with ZEF Energy to create and expand a multi-state EV charging network. He has been speaking with municipals about the level 2 chargers having a value of \$5,100. It was noted this is not a fast charge model however, the program would allow municipalities to upgrade to other models by paying the difference between \$5,100 and the chosen model price. The level 2 charger will recharge electric cars, but it will take more than an hour to do so unlike the fast charge which can recharge batteries in as little as 30 minutes. There is also a billing system available which is QR code driven. Drivers scan the code and pay through an app. Fees may be based on time or a flat rate parking fee. Funds collected would be distributed to the city. The charger includes a 5-year parts warranty, 5-year ZEFNET operational software and 5 years of connectivity costs. Once the 5-year warranty expires the annual fee for ZEFNET operational software and connectivity is estimate at \$320 annually. The original opt in deadline has been extended to the end of August. It was noted Hoskins Electric will be providing a planning purposes only quote for installation. Action on participation in the program will be placed on the August agenda.

**Temporary Police Staffing Request:** Chief Hurley spoke regarding additional staffing for the Hoedown Festival. Motion by Schultz, seconded by Sanden to authorize the hire of Isaiah Bunke to work as needed at a rate of \$16 per hour. Motion carried unanimously.

**Property/Liability Insurance Renewal – Waiver of Liability Limit:** Motion by Krage, seconded by Mathers to waive the monetary limits on municipal tort liability established by M.S. 466.04, to the extent of the limits of the liability coverage obtained from LMCIT. Motion carried unanimously.

**Application to Conduct Excluded Bingo:** Motion by Krage, seconded by Mathers to approve the application to conduct excluded bingo presented by the Cross of Christ Lutheran Church for activities to be conducted at the City Park during Hoedown. Motion carried unanimously.

**Ambulance Update:** On June 24<sup>th</sup>, a committee to discuss challenges facing EMS Services met. The Houston Volunteer Ambulance needs 10 new EMT's to be comfortably staffed to continue to provide 24/7/365 coverage in compliance with State Licensure. Failure to remain in compliance with licensure creates risk which could result in the service being downgraded to a first responder service. Barriers such as number of hours of required training, natural attrition of staff, and employment policies making it difficult for interested persons to be involved were identified. This is crisis. For the service to remain viable well into the future residents need to become engaged, employers are being asked to partner with the City and mitigate and barriers their policies present to would be volunteers.

**Proposal for Donation of Sound System:** Anna Benda presented a proposal to donate a sound system for the community room. Presentation information and details are on file. It was noted the sound system would not correct the reverberation and echo present in the room. It would simply increase the volume. The mayor reported the city is researching acoustical tile options to mitigate and reduce the reverberation however, the proposals are cost prohibitive. The mayor indicated the meetings were never intended to be held in the community room and the meetings would be returning to council chambers.

The suggestion was made to install a drop ceiling however, the recently renovated HVAC system prevents this option without also redoing the HVAC.

Lorraine Culver commented the acoustics are the issue and questioned why gallery chairs were not in closer proximity to the council tables.

Mathers noted a group is willing to donate however, said donation will require a city match in the amount of \$500. Sanden expressed a desire to gather required information regarding acoustical panels prior to taking action to accept the donation of a sound system.

The suggestion was made to Facebook live the meetings if held in the smaller council chambers. Other options include Zoom or similar platform.

**OHV Trails Project:** Steve Westby presented council with a petition containing 400 signatures. He indicated the petition include signatures from city residents, non-resident property owners, adjacent property owners and business owners. He shared his opinion the residents want the project cancelled. He suggested the city negotiate with the DNR to exit sponsorship of the project. Several barriers to exiting were noted and include the payback of \$516,523 in grant funds expended and deed restrictions which appear to inhibit the city's ability to dispose of the asset to generate capital needed for repayment. Holly Westby stated the city would be facing a class action lawsuit before exiting the meeting. The mayor questioned how the city would be able to afford the required repayment. Steve Westby indicated Karla Bloem has identified non-definitive wording within the grant contracts which may allow for negotiation related to repayment amounts. Larry Connery suggested council and residents need to work together to explore exit viability. Mathers stated he will vote against further sponsorship of the project if an affordable exit strategy is identified. He also stated there is not a simple kill switch.

It was recommended a committee be established to research exit strategy.

Discussion was held regarding the challenges this project has resulted in from the length it has taken for project advancement, the turnover in council and staff throughout the 12 years the project has been on

the city radar to how residents choose to express themselves and the fact that many people choose not to engage in the discussion. The council reiterated their availability for all residents to speak privately with them so their views can be taken into consideration whether they choose to share those views in a public forum.

The project must go through a process whether it becomes a reality or whether this City chooses to no longer sponsor it. This process will take time. It was agreed a committee would be formed.

**Citizen Advisory Committee:** An update, which is on file, was provided to council regarding the original advisory committee membership.

**Sound Study:** Motion by Mathers, seconded by Schultz to authorize staff to coordinate and move the sound study forward. Motion carried unanimously. This study was approved in February of this year. Mathers stated it makes sense to gather the information which may or may not help to support an exit strategy.

**Archaeological Survey:** As part of the 2020 FRTP (Federal Recreational Trail Program) Grant Award an archaeological survey is required. Two proposals were received however, one proposal has been withdrawn. Council chose not to act on this item.

**Open House:** It was the consensus of council to schedule an OHV Trails Project open house for Tuesday, August 10, 2021. It was noted the open house should be posted as a special meeting due to council participation at the event.

**FAQ:** Motion by Schultz, seconded by Krage to accept the City of Houston Proposed OHV Trails Project Frequently Asked Questions document as presented and direct staff to post it to the City Website. Motion carried unanimously.

**Native Seed Collection:** The Friends of the Nature Center have discussed the possibility of granting Alan Wade and Dan Smith Jr permission to collect and clean native prairie plant seeds from city property. As part of the agreement, 10% of collections would be consigned to Prairie Moon in the City's seed bank and 90% would be retained by Mr. Wade and Mr. Smith. Karla Bloem noted in the past Mr. Wade would collect and clean seed and 50% would be submitted to the City's Prairie Moon consignment bank. It was noted this is a city asset and since private residents would benefit financially it is appropriate to put the privilege out for sealed bid. Motion by Mathers, seconded by Sanden to put seed collection out for sealed bid to allow fair opportunity. Motion carried unanimously.

#### **Department Head Updates:**

**Public Works:** No report.

**Police:** See report which is on file.

**Finance:** No report.

**Clerk/Administrator:** See update which is on file. In addition, Quinn shared the Mission 66 hangar for the swing had shipped, 3 applications for the position of HNC Assistant have been received, work on



Ellsworth is scheduled for Wednesday, July 14<sup>th</sup>, and Hoskins Electric would be supplying an estimate for EV Charging Station planning purposes.

**Minutes, Bills, and Items to be Placed on File:** Motion by Sanden, seconded by Krage to approve the minutes of the June 14, 2021, meeting, and the bills as presented. Motion carried unanimously.

Motion by Schultz, seconded by Sanden to place the following items on file. Motion carried unanimously.

Citizen complaints related to Westgate Drive property and community room acoustics/sound.

**Public Comment:**

Terry Jergenson questioned whether anything has been done about his complaint. Discussion was held.

An individual raised concern with young people on golfcarts texting and driving. Chief Hurley expressed appreciation for the information and encouraged residents to report such incidents when they are taking place. He also noted most individuals do not violate rules when they see the squad. It was noted golf cart operators must be driver license eligible.

Steve Westby requested again that an exit strategy committee be established and include Karla Bloem.

**Adjourn:** Motion by Schultz, seconded by Mathers, to adjourn the meeting at 7:45 p.m. Motion carried unanimously. The next regular meeting of the Council is scheduled for August 9, 2021.

By: \_\_\_\_\_  
David Olson, Mayor

Attest: \_\_\_\_\_  
Michelle Quinn, Clerk/Administrator

Mayor Dave Olson called the City Council meeting to order at 6:00 p.m. August 9, 2021, with the Pledge of Allegiance. Council present: Mayor David Olson, Emily Krage, Cody Mathers, Tony Schultz, and Cheryl Sanden. Staff present: Michelle Quinn, Randy Thesing, and Brett Hurley. A listing of members of the public present is on file.

Notice posted of reserved seating for hearing impaired guests.

**Lincoln Street Project:** Matt Mohs presented contractor's estimate no. 5 for final payment of the Lincoln Street Project. Mr. Mohs stated the project is complete, paperwork has been finalized and a 2-year warranty is in effect. Motion by Sanden, seconded by Krage to pay estimate #5 from Zenke, Inc. in the amount of \$93,907.67. Motion carried unanimously.

**Wastewater Treatment Plant:** Matt Mohs reported on work being conducted on the WWTP a significant amount of concrete work. Motion by Schultz, seconded by Mathers to pay estimate #4 from Wapasha Construction Co. in the amount of \$201,834.99. Motion carried unanimously.

**Electric Vehicle Charging Station:** Kent Whitcomb, representative from MiEnergy provided information regarding the EV Charging Station program. Quinn shared recommendation from the Planning Board to opt into the program. Discussion was held. Mr. Whitcomb confirmed QR billing software was included as part of the program. Motion by Mathers, seconded by Sanden to opt into the program and upgrade to the ZEFNET 80-CPD-SS with a charge rate of 15.4 kW and to have the system installed at the Community Center located at 111 West Cedar Street. Motion carried unanimously. Staff was instructed to secure actual installation costs from Hoskins Electric who provided the planning purpose quote.

**Accept Various Donations:** Motion by Schultz, seconded by Mathers to adopt resolution 2021-09 accepting donations. Motion carried unanimously.

**RESOLUTION NO. 2021-09  
A RESOLUTION ACCEPTING A DONATION TO THE CITY.**

**WHEREAS**, the City of Houston is generally authorized to accept donations of real and personal property pursuant to Minnesota Statutes Section 465.03 et seq. for the benefit of its citizens and is specifically authorized to accept gifts.

**WHEREAS**, the following persons and entities have offered to contribute the items set forth below to the city:

<u>Name of Donor</u>	<u>Item</u>
Silver Creek Rustlers 4H Group	6-foot bench
Houston County Farm Bureau	6-foot bench

**WHEREAS**, both groups request the benches be located outside the Community Building located at 111 West Cedar Street; and

**WHEREAS**, the Houston County Farm Bureau donation is being made in honor of Audrey Hegland;  
and

**WHEREAS**, the following persons and entities have offered to contribute the cash amounts set forth below to the city subject to the terms or conditions listed:

<u>Name of Donor</u>	<u>Item</u>	<u>Terms or Conditions</u>
Anonymous	\$7,200	purchase of acoustic panels for community room

**WHEREAS**, all such donations have been contributed to the city for the benefit of its citizens, as allowed by law; and

**WHEREAS**, the City Council finds that it is appropriate to accept the donations offered.

**NOW THEREFORE**, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, MINNESOTA AS FOLLOWS:

1. The donations described above are accepted and shall be used as allowed by law.

**Mutual Aid Agreement with City of Caledonia Ambulance Service:** Quinn stated the agreement is standard, has been recommended for approval by Ambulance Director Cox and reviewed by the City Attorney who expressed no concerns regarding content. Motion by Sanden, seconded by Schultz to approve the Mutual Aid Agreement Between the City of Caledonia Ambulance Service and the City of Houston Ambulance Service and authorize the appropriate signatures on the same. Motion carried unanimously.

**Native Seed Collection:** Bids for the privilege to harvest native prairie plant seeds from property owned by the City for the 2021 season have been solicited. A single bid was received and opened at this time. Dan Smith/Alan Wade bid 10% of final cleaned seed to be placed in the City's consignment account at Prairie Moon. In addition, the bid includes an offer of weeding the beds at the Nature Center building along with plants to fill in the beds as needed. Plants will be donated. Alan Wade was present to share information about his specific bid and share details how the consignment account functions. The city has the option to request an inventory report at any time. Motion by Mathers, seconded by Krage to accept the bid submitted by Dan Smith and Alan Wade for a 10% City, 90% harvester cleaned seed consignment with Prairie Moon including bed maintenance and fill in plant donation. Motion carried unanimously.

**Nature Center Assistant Hire:** Motion by Sanden, seconded by Schultz to authorize the hire of Grace Shupe for the position of Nature Center Assistant at a rate of \$10.50 per hour with an average of 18 hours per week. Motion carried unanimously.

**OHV Trails Project:** Citizens have requested council act to establish an exit strategy committee, appoint a representative from council to serve, and schedule the first meeting of said committee. The following individuals have been nominated to serve by the citizens: Anna Benda, Karla Bloem, Larry Connery, and Ron Evenson. Schultz commented a community group has submitted names of nominees to serve on the exit committee. Council is moving forward with the noise study requested by citizens. Depending on results council take additional steps to learn more about the implications of the project including but not

limited to having a required archaeological study completed. Schultz express concern with establishing an exit committee as the timing appears premature. He expressed his appreciation for sharing the listing of nominees so that information is on hand in the event the committee is established. Steve Westby stated, during the last meeting it was indicated an exit committee would be established. The mayor clarified his intent was to consider it. Mathers questioned whether a council member commitment to participating in the discussions was desired. Schultz reiterated citizens expressed strong concerns regarding potential noise impacts. In response, council acted to have a sound study conducted. Once council receives the results, they will be able to re-evaluate the merits of the project to determine the next step. A member of the gallery indicated there were 400 signatures on the petition from residents who don't want the project to proceed. Citizens interpreted council actions as a desire to exit the project. A member of the gallery indicated if this was not the case, other action may be required of the citizens. Discussion continued about the citizens desire for the project to end. Krage stated the signs many display say no noise, no erosion, no pollution. There isn't information to say that those things will be. Council has a desire to learn whether noise will or will not be an issue. Karla Bloem commented how sound, and erosion are concerns with erosion being the greatest. She reported the retired SWCD manager who spoke during her recently hosted discussion recommended the project not move forward. She questioned why council hasn't engaged the SWCD because those are local resources with knowledge the city could access at no fee. Jim Edwards expressed a desire to move projects forward that have the support of both council and citizens. Members of the gallery continued to question why this issue continues to be rehashed when the appearance is that many do not want the project. It was noted the council is interested in doing what is in the best interest of both the city and its residents. Ron Evenson indicated the exit committee could be working parallel to other activities to learn more about the potential impacts of the project. Individual opinions of council members were requested. Karla Bloem indicated the exit committee may be able to negotiate with the State and it may not cost the city as much as previously reported to exit the project.

Anna Benda indicated she had spoken with someone within the DNR about the impact to future grant funding should the city withdraw sponsorship of the OHV Trails Project.

Mathers expressed support for the establishment of an exit committee as it could easily operate in parallel with other activities. Karla Bloem questioned in the event a good deal for the city could be negotiated, would council act to exit. If they would not, the work of the committee would be a waste of time.

Richard Carr Sr made a statement about the project, councils' actions, and the need for resolution, he also commended the work of Public Maintenance and Police before exiting the meeting.

Geoffrey O'Brien clarified a statement made at a recent event hosted at the International Owl Center by stating the sponsor clubs would not sue the city for spent project funds. This would be counterproductive and result in no groups working with sponsor clubs to create new riding areas.

Phil Pedretti expressed support for the project and shared his opinion that a trail system in Houston would be enjoyable.

Mayor questioned how council wished to proceed regarding the request to establish an exit committee. Sanden expressed support for council to establish the committee and stated that this action does not mean the council is in favor of exiting the project. Krage echoed Sanden's sentiment reiterating that just because council establishes an exit committee does not guarantee agreement or position in any way.

Krage stated she wants to better understand information being gathered. Currently, she continues to be supportive of the project moving forward. Mathers expressed concern with the financial burden of a possible exit. Schultz expressed support for moving the project forward until a time when the information supports a different path.

Another resident requested the economic studies council has based their position on. It was noted there are four studies available on the FAQ document posted on the city website. She shared her personal experience with trail tourists. She questioned what the cost to taxpayers will be if the project continues to move forward, who will provide policing, and how would a wash station be funded. The project remains in the planning stages. A wash station has been discussed. It has yet to be determined whether one will be included in the design or not. A wash station would aid in mitigating the potential spread of invasive species. The expert panel reported there is \$23 billion in OHV tourism. Funding is available to support the project.

Karla Bloem continued to request the council work with SWCD to secure expert advice at no cost to the city.

**OHV Exit Committee:** Motion by Sanden, seconded by Mathers to establish exit committee comprised of Karla Bloem, Anna Benda, Ron Evenson, Larry Connery, and councilman Mathers. Motion carried unanimously.

**Open House:** The OHV Open house is scheduled for tomorrow evening, Tuesday, August 10<sup>th</sup> between the hours of 6:00 pm and 8:00 pm in the Community Room located at 111 West Cedar Street.

#### **Department Head Updates:**

**Public Works:** Matt Mohs provided an update related to the sewer plant earlier in the meeting. Street repairs have been completed at various intersections. The dumpster located at the community building has had a designated concrete pad poured and has been relocated to the pad.

Councilman Schultz, on behalf of Houston Hoedown, expressed appreciation for the assistance of City Maintenance and Police, both of which contributed to a successful celebration.

**Police:** No report

**Finance:** No report.

**Clerk/Administrator:** See update which is on file.

Mathers reported how the school board streams and posts recorded meetings. Council continues to consider options to provide for greater public engagement.

Krage reported how summer rec has wrapped up for the season. The committee has discussed and wishes to hire next year's director sooner than what has historically been done. She recommended beginning a search in January which would allow for planning meetings to begin in February.

**Minutes, Bills, and Items to be Placed on File:** Motion by Krage, seconded by Sanden to approve the minutes of the July 12, 2021, meeting, and the bills as presented. Motion carried unanimously.

Motion by Schultz, seconded by Mathers to place the following items on file. Motion carried unanimously.

Minutes of June 16<sup>th</sup> Fire Meeting  
Library statistics and updates  
Citizen complaints  
Correspondence from Houston Area Preservation Initiative (HAPI)

**Public Comment:** It was noted public comment was allowed throughout the meeting. Karla Bloem encouraged council to watch a recording of the presentation by the expert panel on YouTube.

**Adjourn:** Motion by Schultz, seconded by Sanden, to adjourn the meeting at 7:13 p.m. Motion carried unanimously. The next regular meeting of the Council is scheduled for September 13, 2021.

By: \_\_\_\_\_  
David Olson, Mayor

Attest: \_\_\_\_\_  
Michelle Quinn, Clerk/Administrator

Mayor Dave Olson called the City Council meeting to order at 6:00 p.m. September 13, 2021, with the Pledge of Allegiance. Council present: Mayor David Olson, Emily Krage, Cody Mathers, and Tony Schultz. Staff present: Michelle Quinn, Ed Jacobs, and Brett Hurley. A listing of members of the public present is on file.

Notice posted of reserved seating for hearing impaired guests.

**Wastewater Treatment Plant:** Matt Mohs reported on work being conducted on the WWTP. He presented pay application #5. Motion by Schultz, seconded by Mathers to pay estimate #5 from Wapasha Construction Co. in the amount of \$131,779.25. Motion carried unanimously.

**Long-term Infrastructure Planning:** Matt Mohs provided an overview of long-term infrastructure planning. Motion by Schultz, seconded by Krage to approve \$1,920 for infrastructure cost estimating. Motion carried unanimously.

**Pumper Truck Funding/USDA:** Motion by Mathers, seconded by Schultz to authorize completion of the USDA funding application and signatures of the mayor and clerk/administration as needed on documents required for said application. Motion carried unanimously.

**MN Dot Limited Use Permit:** MN Dot is updating Limited Use Permits (LUP's) it has with various entities for highway beautification. The current agreement will remain in effect until this updated LUP is approved. Motion by Schultz, seconded by Mathers to approve the State of Minnesota Department of Transportation Limited Use Permit and adopt the following resolution. Motion carried unanimously.

**RESOLUTION 2021-11  
LIMITED USE PERMIT NO. 2801-0030 WITH THE  
MINNESOTA, DEPARTMENT OF TRANSPORTATION**

IT IS RESOLVED that the City of Houston enter into Limited Use Permit No. 2801-0030 with the State of Minnesota, Department of Transportation for the following purposes:

To provide for maintenance and use by the City of Houston upon, along and adjacent to Trunk Highway No. 16, 76 and the limits of which are defined in said Limited Use Permit.

IT IS FURTHER RESOLVED by the City Clerk/Administrator of the City of Houston, Minnesota that the Mayor and the City Council are authorized to execute the Limited Use Permit.

**Subordination Agreement:** Altra Federal Credit Union has requested the city approve a subordination agreement. The city attorney has reviewed the request and finds no reason to deny it. Motion by Krage, seconded by Mathers to approve the Subordination Agreement and authorize the signatures of the Mayor and Clerk/Administrator. Motion carried unanimously.

**Preliminary Budget & Levy:** The preliminary levy reflects an increase just shy of 3%. This allows the city to meet needs and attain goals laid out by the finance committee. Motion by Schultz, seconded by Mathers to adopt the preliminary budget, levy and Resolution 2021-12. Motion carried unanimously.

**RESOLUTION 2021-12**  
**ADOPTING PRELIMINARY 2021 BUDGET AND PRELIMINARY TAX LEVY,**  
**COLLECTABLE IN 2021**

Be It Resolved by the city council of the City of Houston, County of Houston, Minnesota, adopts the Preliminary 2022 Budget and that the following sums of money be levied for the current year, collectable in 2022, upon the taxable property in the City of Houston, for the following purposes:

General Fund	187,000
Library Fund	38,000
Fire Fund	20,000
Park/Rec Fund	8,000
Nature Center Fund	47,700
2011A Sherman Street Bond	39,000
2016A Ellsworth Street Bond	73,200
2017A Street & Utility Improvement Bond	55,300
2020 MiEnergy Loan	30,000
2020B Lincoln Street Reconstruction Bond	37,100
2020C Community Center Renovation Bond	<u>18,200</u>
Total Levy	\$553,500

The city administrator is hereby instructed to transmit a certified copy of this resolution to the county auditor of Houston County, Minnesota.

**Truth in Taxation Public Hearing:** The city is required to schedule a Truth in Taxation (TNT) hearing. Motion by Krage, seconded by Schultz to schedule the TNT hearing for Monday, December 13, 2021, beginning at 6:00 p.m. Motion carried unanimously.

**Explore Minnesota:** John Langheinrich reported the city has all requirements in place to join Explore Minnesota. He expressed what a positive opportunity membership would be and prepared the required application. Motion by Krage, seconded by Schultz to approve the application and its submission. Motion carried unanimously.

**Maple Street Community Building:** Discussion was held regarding the future of the Maple Street Community Building. It was the consensus of council to continue to heat the building at a minimal amount, clean out the balance of property within the building and prepare the building to be offered for sale.

**OHV Trails Project/Sound Study:** Alex Bud presented his preliminary report from the recently conducted sound study. He provided an overview of his qualifications. Retired from 33 years serving Harley Davidson as an acoustic engineer who was responsible for sound compliance of vehicles across the world. Prior to retirement, he started a private consulting business. He has assisted the WI DNR, is a master trail builder with expertise in trail design and construction to reduce erosion and mitigate noise. All equipment is type 1 and made up of the latest sound meters available. All equipment has been recently certified.

The final report will include additional information related to the identification of meters, vehicles etc.



Test sites were located at property lines, all test sites passed both the L10 and L50 sound tests. In addition, meters were placed at private residence, HNC and City Hall. This allowed the test to measure sound to consider Federal HUD requirements for high density residential areas. All locations passed 65 dba LEQ time averaged test. Sound did not exceed federal, state, or local regulations.

Mr. Bud explained the standards which vehicles used for testing and those using public trails are required to meet. He provided information related to the vehicles used for this sound test along with the stationary test results for each. All vehicles were tested with results falling within standards.

Descriptions of the terms L10 and L50 were provided. L50 results are typically lower due to being time averaged over a longer period. All measurements were recorded over a one-hour period. Both L10 and L50 results were well below state limits. Actual trail design may result in reduced sound if trails are moved further to the interior property and further from neighboring property boundaries. Additional information was provided regarding how increased distance reduces sound.

When questioned about credentials, Mr. Bud responded how he has conducted tests in several states. He recommended quiet use trails be constructed near to property lines, the use of strategic evergreen plantings and berms during construction could mitigate sound. Other recommendations included sound checking vehicles, posting hours trails are open and hiring experts in design and construction.

Discussion was held regarding wind speed on the day of the test. Mr. Bud noted a wind meter was utilized to measure speed during the testing period. A member of the public stated individuals were present at Connery and Francis properties and did not see vehicles pass by during the testing period. Guests questioned whether vehicles were operated on the ridgetop. It was noted vehicles did travel to a high point that was accessible. Mr. Bud explained that chainsaws were utilized to clear sections of trail during the testing. Chainsaw noise exceeds that of the vehicles. Even with this additional noise, the test conducted passed noise requirements.

Discussion was held regarding the stationery testing which was conducted on vehicles. This test required vehicles to be measured at 50% maximum tach rpms. The study captures sound related to acceleration as the vehicles travel up and down and across the terrain. Trail design impacts time spent accelerating. Design will likely include switchbacks and rolling dips which will mitigate any sustained acceleration which could increase noise.

When questioned whether Mr. Bud had conducted studies on trails located in the driftless region he responded that he had and provided examples of locations many of which were private.

There was lengthy discussion. The sound study was conducted between 3:30 pm and 4:30 pm. Additional ambient data was collected for an additional hour following.

The test is being paid for utilizing funds which sponsor clubs have raised.

L10 levels measure sound spikes.

Mathers expressed appreciation for Mr. Buds presentation. He questioned whether the final report would include graphs of the data collected. He questioned how many sound studies have been conducted which resulted in failure to meet sound requirements. Mr. Bud responded of the

approximate 17 studies he has conducted, a single study resulted in failure to meet sound requirements. Several studies are available publicly however, there are studies which were conducted for privately held property which are not.

Karla Bloem questioned the data since no one observed test vehicles passing near the residences near the property in areas of greatest concern.

Council did not act on either the archaeological survey or wetland delineation.

#### **Department Head Updates:**

**Public Works:** Ed Jacobs reported the process to flush sewer mains has begun. Water mains are scheduled to be flushed the week of October 12<sup>th</sup>. Fall street sweeping will be taking place soon.

**Police:** School is back in session and special attention is being given to ensuring speed limits are being respected. Festival season is ending. Officer Levin will be assisting with La Crescent Applefest this coming weekend. Members of the department assisted the County recently during the fair. These entities help the city during its festival.

**Clerk/Administrator:** See written update which is on file.

**OHV Exit Committee:** Mathers provided information discussed and collected by the exit committee. Big part of exit strategy depends on DNR legal review of what is due and payable. The committee has met twice. They have been discussing potential expenses down the road as the group does not believe they are 100% reimbursable. Notes from the meetings are shared with and filed at City Hall. Krage expressed appreciation for the work of the committee and questioned why the exit committee was considering potential expenses since they were established to research possible exit strategies and a committee to research the other data is in place.

**Minutes, Bills, and Items to be Placed on File:** Motion by Krage, seconded by Schultz to approve the minutes of the August 9, 2021, regular meeting, August 10, 2021, special meeting/open house, and bills as presented. Motion carried unanimously.

Motion by Krage, seconded by Mathers to place the following items on file. Motion carried unanimously.

Minutes of July 21st Fire Meeting  
Correspondence from Danielson Insurance Agency regarding coverage renewals  
Correspondence from Amy Juel regarding Mission 66 accessibility  
August Library statistics and updates

**Public Comment:** A member of the public provided copies titled "An estimate of net economic benefit to Houston" to members of council. A copy was placed on file.

Scott Wallace shared a story about traveling a minimum maintenance road, experiencing a feeling of dread, and having to back the distance he had traveled comparing it to the proposed OHV Trails Project. He expressed concern with how the project was dividing community members.

Ken Johnston Jr, a longtime resident of the Houston area and city property owner, expressed appreciation for members serving on council. He acknowledged the varying opinions surrounding the

OHV Trails Project and expressed his support of the project. He shared his experience trail riding and how he meets wonderful people, experiences new things, and creates valuable memories while riding. He has heard others refer to trail enthusiasts as drunkards out to cause damage when his experience is quite different. His family along with others he meets enjoy the activity because it takes them into nature. He also spoke about the silent majority of business owners who support the trail system. He expressed his belief that the project may provide opportunity for new business. He asked that consideration be given to all people and their individual opinions indicating it is easy to be loud and be heard. He asked for acceptance of different perspectives and encouraged community members to consider the big picture. There are individuals who have invested in the project and there is support for the project.

Steve Westby stated many residents don't want the trails located so close to town as they would be better situated elsewhere.

Karla Bloem shared her opinion regarding differences in her love for nature versus OHV enthusiasts love for nature.

Councilmember Krage invited residents to reach out to her to discuss her experience with the sound study and trail ride.

**Adjourn:** Motion by Krage, seconded by Schultz to adjourn the meeting at 7:30 p.m. Motion carried unanimously. The next regular meeting of the Council is scheduled for Tuesday, October 12, 2021.

By: \_\_\_\_\_  
David Olson, Mayor

Attest: \_\_\_\_\_  
Michelle Quinn, Clerk/Administrator

Mayor Dave Olson called the City Council meeting to order at 6:00 p.m. October 12, 2021, with the Pledge of Allegiance. Council present: Mayor David Olson, Cody Mathers, Tony Schultz, and Cheryl Sanden. Staff present: Michelle Quinn, Randy Thesing, and Brett Hurley. A listing of members of the public present is on file.

Notice posted of reserved seating for hearing impaired guests.

**Public Hearing:** The time being 6:00 p.m. the mayor opened the public hearing to consider financing options for a new pumper truck for the fire department. Quinn read from the prepared statement. Chief Skifton spoke to maintenance costs, disabled foam systems on the truck proposed for replacement and the advantages a new truck would provide.

Steve Westby stated he recently witnessed a fire and spoke in support of the purchase.

Anna Benda questioned what type of foam the trucks systems utilize. Chief Skifton responded the City of Houston has no foam containing the harmful PFAS chemicals.

Being no further comment. Motion by Sanden, seconded by Schultz to close the public hearing and reconvene in regular session. Motion carried unanimously.

**Fire Department Pumper Truck:** Motion by Sanden, seconded by Schultz to authorize staff to enter into a purchase agreement for a new pumper truck with a cost of \$328,250. Motion carried unanimously.

**Wastewater Treatment Plant:** Matt Mohs provided an update on the work being completed and planned in the immediate future related to the WWTP. He presented pay application #6 and recommended approval. Motion by Sanden, seconded by Mathers to pay estimate #6 from Wapasha Construction Co. in the amount of \$390,229.74. Motion carried unanimously.

**State 76/TH16 Reconstruction:** Matt Mohs reported on discussion held with city staff and MN Dot regarding the tentative schedule of the MN Dot State 76/TH16 reconstruction project. He is aware of the condition of the city water infrastructure. The project schedule is tentative and has flexibility. He will continue to work with all parties to schedule the project.

**Firefighter Plan Benefit Level:** Chief Skifton commented he preferred discussion on the firefighter plan benefit level be moved to the November agenda. It was agreed to do so.

**City Park West Pavilion Roof:** Bids were solicited from two local vendors. A single bid was received. The parks budget has \$1,700 remaining which could be allocated to cover the cost. In addition, there were savings from the sealcoating project which could be reallocated to parks to cover any remaining expense. Affordable Siding & Roofing quoted shingling of the south side only at \$2,390, or new steel roofing on the entire structure at \$7,175. Discussion was held. Motion by Schultz, seconded by Mathers to accept the quote of \$7,175 for installation of a new steel roof. Motion carried unanimously.

**Maple Street Community Building Survey:** To sell the Maple Street Community Building the parcel on which it is located will need to be split. Andy Lutichens of Tri-State Surveying supplied an estimate for the survey work required. Motion by Schultz, seconded by Sanden to accept the bid of Andy Lutichens in the amount of \$1,700 to survey the parcel and create a legal description for the Maple Street Community Building. Motion carried unanimously. It was noted the food shelf building and property will

remain with the city. There was no need to survey the portion of the parcel which includes City Hall. In addition to the survey work, water and electrical work will be required as these are currently services shared between the food shelf and community building.

**Winter Snow Removal Bids:** It was the consensus of council to go out for winter snow removal bids.

**Newspaper Printing Bids:** It was the consensus of council to go out for newspaper bids.

**Explore Minnesota Tourism Affiliate Welcome Center Program Memorandum of Understanding:** Motion by Mathers, seconded by Sanden to approve the MOU and authorize the necessary signature contingent upon support of Nature Center Lead. Motion carried unanimously. MOU commences January 1, 2022 and expires December 31, 2026.

**Before Explore OHV Trails Project/Archaeological Survey:** Mathers shared information regarding a compliance review being conducted by the federal agency which oversees Federal Recreation Trail Program (F RTP) funding. Due to the review and pending the findings, it was agreed to table action regarding the archaeological survey.

**Minutes, and Bills:** Motion by Mathers, seconded by Schultz to approve the minutes, as amended, of the September 13, 2021, regular meeting, and bills as presented. Motion carried unanimously.

**Items to be Placed on File:** Motion by Schultz, seconded by Sanden to place the following items on file. Motion carried unanimously.

Minutes of August 18th Fire Meeting  
Correspondence from Inez Abraham

#### **Department Head Updates:**

**Public Works:** Thesing invited Council to come view the progress on the WWTP. Summer help work periods are expiring soon. Street sweeping continues. Water main flushing is taking place this week. Sewer main flush flushing was recently completed. Thesing has spoken with the eaves trough vendor who assured him they are working to schedule installation.

**Police:** Chief Hurley reported he completed mandatory training earlier this month. Staff is scheduled to complete the training in the coming weeks. Included in packet is a copy of a door check notice. This idea was borrowed from another chief. The department has always engaged in this practice. The door hangar will provide business owners with feedback.

**Clerk/Administrator:** Quinn reported a CERTs grant has been submitted. This is a competitive grant which pairs nicely with the MiEnergy program to provide EV Charging equipment. She also reported on discussion with Allison Wagner, HC EDA Director, regarding County EDA programs and how they may benefit city businesses and ways the city can grow its program to better serve the community.

Schultz reported on a "ribbon cutting" for Acentek's recently expanded fiber network. He shared his experience with how his work from home upload speeds went from a 30-minute period to perhaps 3 minutes.

**Public Comment:** Anna Benda questioned when the acoustic panels would be installed. The mayor responded the city was waiting on hangar hardware.

Steve Westby requested whether the packets could be uploaded to the website. It was agreed Quinn would upload the packets along with the agenda.

Scott Wallace invited council to come view how close the easement is to his west and south property boundaries.

Information provided by Geoffrey O'Brien was discussed as was his involvement with the project. It was noted Mr. O'Brien is a member of one of the sponsoring clubs and donated time and equipment necessary to complete the sound study.

Karla Bloem shared a map including site plan related to the proposed OHV Trails Project and information from the recently conducted sound study. She questioned the path traveled. Sanden indicated there was a need to wait until the final sound study report was submitted. Bloem expressed her ongoing concerns related to the study.

Ken Johnston Jr. shared his thoughts related to 3 acres of greenspace located at the north entrance to the city. He expressed concerns with information about negotiated terms for the sale of the property to a non-profit and the costs to move the Houston sign located within the area. He expressed appreciation for the being allowed the opportunity to speak and for the work of the council.

Ongoing discussion between members of the public ensued. Council requested the private discussion be taken elsewhere.

**Adjourn:** Motion by Sanden, seconded by Schultz to adjourn the meeting at 7:00 p.m. Motion carried unanimously. The next regular meeting of the Council is scheduled for Monday, November 8, 2021.

By: \_\_\_\_\_  
David Olson, Mayor

Attest: \_\_\_\_\_  
Michelle Quinn, Clerk/Administrator

Mayor Dave Olson called the City Council meeting to order at 6:00 p.m. November 8, 2021, with the Pledge of Allegiance. Council present: Mayor David Olson, Cody Mathers, Tony Schultz, Emily Krage, and Cheryl Sanden. Staff present: Michelle Quinn, Randy Thesing, Steve Skifton, and Brett Hurley. A listing of members of the public present is on file.

Notice posted of reserved seating for hearing impaired guests.

**Wastewater Treatment Plant:** Matt Mohs provided an update on the work being completed and planned in the immediate future related to the WWTP. He presented pay application #7 and recommended approval. Motion by Schultz, seconded by Sanden to pay estimate #7 from Wapasha Construction Co. in the amount of \$202,660.65. Motion carried unanimously.

**Firefighter Plan Benefit Level:** Fire Chief Skifton provided a brief history and overview of the Statewide Volunteer Firefighter Plan. The plan does receive state funding and is self-sustaining. To remain self-sustaining, the city has ensured a funding ration of 110 to 115%. Skifton recommended an increase in the benefit level to \$1,800. Motion by Schultz, seconded by Sanden to increase the benefit level from \$1,400 per year of service to \$1,800 per year of service which will provide a 120% funding ratio and to adopt the following resolution. Motion carried unanimously.

#### **RESOLUTION 2021-13**

#### **A RESOLUTION OPTING TO INCREASE THE BENEFIT LEVEL FOR FIREFIGHTERS WHO ARE VESTED IN THE STATEWIDE VOLUNTEER FIREFIGHTER PLAN**

**The City Council of the City of Houston, Minnesota, does ordain:**

- WHEREAS: The City previously authorized the fire department to join the Statewide Volunteer Firefighter Plan administered by the Public Employees Retirement Association (PERA); and
- WHEREAS: The City requested and obtained a cost analysis of increasing the benefit level for firefighters who are vested in the Statewide Volunteer Firefighter Plan from PERA not more than 120 days ago; and
- WHEREAS: The City understands that Minnesota statute allows an increase in benefit levels if the plan is fully funded, but does not have provisions for a decrease in benefit levels; and
- WHEREAS: The City highly values the contributions of City Fire Department members to the safety and well-being of our community and wishes to safeguard their pension investments in a prudent manner.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, MINNESOTA:**

- 1) The City hereby approves an increase in the benefit level for firefighters who have completed at least 5 years of good time service credit as a member of the Statewide Volunteer Firefighter Plan administered by PERA at the \$1,800 benefit level per year of service, effective January 1, 2022; and
- 2) The City Clerk/Administrator and Mayor are hereby authorized to execute all documents necessary to effectuate the intent of this resolution.

**Assistant Chief Reappointment:** Fire Chief reported current Assistant Fire Chiefs are interested in maintaining their positions and no other applications for the positions were received. He requested the reappointment of both Brandon Olson and Ken Witt. Motion by Schultz, seconded by Sanden to approve the reappointment of Brandon Olson and Ken Witt to 2-year terms as Assistant Fire Chief with terms commencing January 1, 2022, and terminating December 31, 2023. Motion carried unanimously.

**USDA Rural Development Loan for Pumper Truck:** Motion by Mathers, seconded by Krage to affirm the city enter a loan repayment term of 12 years as previously discussed. Motion carried unanimously.

**GO Bond Series 2011A:** Motion by Krage, seconded by Sanden to approve early repayment of General Obligation Bond Series 2011A and adopt the following resolution. Motion carried unanimously.

**RESOLUTION 2021-14**  
**RESOLUTION PROVIDING FOR THE**  
**REDEMPTION AND PREPAYMENT OF THE**  
**GENERAL OBLIGATION NOTE, SERIES 2011A**

A. WHEREAS, the City hereby determines and declares that it is necessary and expedient to call for redemption and prepayment all outstanding principal of the City's \$462,000 original principal amount General Obligation Note, Series 2011A, dated November 30, 2011, which mature on February 1, 2023; and

B. WHEREAS, Bonds which mature on February 1, 2018, and thereafter are callable on February 1, 2017, and any date thereafter at a price of par plus accrued interest, as provided in the resolution of the City Council duly adopted on November 14, 2011, authorizing the issuance of the Bonds; and

C. WHEREAS, the redemption on February 1, 2022, of \$45,000 principal amount of Bonds maturing on February 1, 2023, is consistent with covenants made with the holders thereof; and is necessary and desirable for the reduction of debt service cost to the City;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Houston, Minnesota, as follows:

1. Redemption of Bonds. The Bonds shall be redeemed and prepaid on February 1, 2022, in accordance with the terms and conditions set forth in the Notice of Call for Redemption attached hereto as Exhibit A, which terms and conditions are hereby approved and incorporated herein by reference.

**Winter Snow Removal Bids:** At this time bids received for snow removal were opened and read. A single bid from Ole's Excavating LLC was received and included pricing for three types of equipment. Motion by Mathers, seconded by Krage to accept all bids. Motion carried unanimously.

**Liquor Licenses:** Motion by Sanden, seconded by Schultz to approve Liquor Licenses for JT's Corner Bar & Grill LLC and American Legion 423 contingent upon all required data having been received. Motion carried unanimously. The license term is January 1, 2022, expiring December 31, 2022.



**2022 COLA Increase:** On the recommendation of the personnel committee, motion by Sanden, seconded by Schultz to approve a 3% COLA increase for qualifying staff, and to increase the per hour wage of the Nature Center Lead to \$16 per hour effective with the COLA increases. Motion carried unanimously.

**Employee Health Benefits:** Motion by Krage, seconded by Mathers to approve renewal of the current health benefits plan along with an equivalent plan which designate Gundersen Health Systems as a preferred provider. Motion carried unanimously.

**Police Officer:** Chief Hurley spoke to his appreciation for Levin's service. Motion by Schultz, seconded by Sanden to accept the resignation of full-time officer Brett C. Levin effective Monday, November 8, 2021, to authorize a competitive search for a 1.0 FTE police officer, and to include the approved 2022 wages and benefits details in the posting. Motion carried unanimously.

**Nature Center Assistant:** Motion by Krage, seconded by Mathers to accept the resignation of Grace Shupe, effective November 30, 2021, and authorize a competitive search for a part time Nature Center Assistant. Motion carried unanimously.

**Chamber Coordinator/City EDA:** Motion by Sanden, seconded by Krage to accept the resignation of Taylor Laschenski, effective December 31, 2021. Motion carried unanimously.

**Summer Rec Director Position:** Motion by Sanden, seconded by Schultz to authorize a competitive search for Summer Rec Director. Motion carried unanimously.

**Pitney Bowes Postage Machine Lease:** Motion by Schultz, seconded by Sanden to approve the lease with Pitney Bowes for the postage machine at a cost of \$170.43 per quarter for 60 months and authorize the signature of staff on the necessary lease documents. Motion carried unanimously.

**Community Room Walking:** Discussion was held regarding walking in the community building. Information was presented about the surrounding area. Spring Grove allows walking during January, February and March with gym shoes and sign in is required. Caledonia allows walking in winter months for 4 hours daily. Hokah allows walking with participants being required to check out from and return the key to city hall. Motion by Mathers, seconded by Sanden to allow community room walking Monday through Thursday, 7:30 am to noon between the months of December 1 and April 30<sup>th</sup> with staff having the discretion to amend said schedule based on weather and needs of the city. Motion carried unanimously. It was noted in the event the facility is rented for one of the periods when typically walking is allowed, no walking will be allowed that day.

**SMIF Presentation:** Jayne Overstreet provided information about SMIF. They have three areas of focus being economic development, early childhood development and community vitality. She provided examples of programs which SMIF offers to further each of the focus areas. She reported on SMIF initiatives which have taken place in Houston and the county.

**Minutes, and Bills:** Motion by Sanden, seconded by Krage to approve the minutes of the October 12, 2021, regular meeting, and bills as presented. Motion carried unanimously.

**Department Head Updates:**

**Public Works:** Acoustic panels have been partially mounted, additional will be put up following lighting upgrade, they are in wood construction above tin lining. Street sweeping continues, a bit of moisture will help with that. Christmas decorations are aged and tattered, nothing has been scheduled. Update from Chamber is that new decorations will not be purchased by Chamber. Mayor, they are better than nothing. A member said if they look poor, do not put them up. It was the consensus of Board that the tattered Christmas décor will not be put up.

**Police:** Chief Hurley reported on a mass casualty training event which is planned in the area.

**Clerk/Administrator:** Update is on file

**Public Comment:** There was no public comment.

**Adjourn:** Motion by Sanden, seconded by Schultz to adjourn the meeting at 6:56 p.m. Motion carried unanimously. The next regular meeting of the Council is scheduled for Monday, December 13, 2021.

By: \_\_\_\_\_  
David Olson, Mayor

Attest: \_\_\_\_\_  
Michelle Quinn, Clerk/Administrator

Mayor Dave Olson called the City Council meeting to order at 6:00 p.m. December 13, 2021, with the Pledge of Allegiance. Council present: Mayor David Olson, Cody Mathers, Tony Schultz, Emily Krage, and Cheryl Sanden. Staff present: Michelle Quinn, Randy Thesing, Steve Skifton, and Brett Hurley. A listing of public members present is on file.

**Truth In Taxation Hearing:** The time being 6:00 p.m., Mayor Olson opened the public hearing.

Quinn provided an overview of the budget and final levy.

There being no further public comment, motion by Schultz, seconded by Mathers to close the public hearing and reconvene in regular session. The time was 6:04 p.m. Motion carried unanimously.

**Wastewater Treatment Plant:** Matt Mohs provided an update on the work being completed and planned in the immediate future related to the WWTP. He presented pay application #8 and recommended approval. Motion by Sanden, seconded by Krage to pay estimate #8 from Wapasha Construction Co. in the amount of \$176,882.94. Motion carried unanimously.

**Budget and Final Levy 2022:** Motion by Mathers, seconded by Schultz to approve the 2022 Budget, Tax Levy Collectable in 2022 and adopt resolution 2021-15. Motion carried unanimously.

**RESOLUTION 2021-15  
ADOPTING FINAL BUDGET AND TAX LEVY,  
COLLECTABLE IN 2022**

Be It Resolved by the city council of the City of Houston, County of Houston, Minnesota, adopts the Final 2022 Budget and that the following sums of money be levied for the current year, collectable in 2022, upon the taxable property in the City of Houston, for the following purposes:

General Fund	188,000
Library Fund	38,000
Fire Fund	23,000
Park/Rec Fund	8,000
Nature Center Fund	48,000
Infrastructure/Construction Fund	15,000
Vehicle Fund	15,000
2016A Ellsworth Street Bond	73,200
2017A Street & Utility Improvement Bond	55,300
2020 MiEnergy Loan	30,000
2020B Lincoln Street Reconstruction Bond	37,100
2020C Community Center Renovation Bond	<u>18,200</u>
Total Levy	\$548,800

The city administrator is hereby instructed to transmit a certified copy of this resolution to the county auditor of Houston County, Minnesota.

**Certification of Delinquent City Bills:** Motion by Krage, seconded by Sanden to approve the delinquent city bills as presented and adopt the following resolution. Motion carried unanimously.

**RESOLUTION 2021-16  
PLACEMENT OF DELINQUENT UTILITY BILLS UPON THE TAXES OF  
RESPECTIVE PROPERTIES WITHIN THE CITY OF HOUSTON, HOUSTON  
COUNTY, MINNESOTA**

WHEREAS, it appears that there are a number of people who have been duly billed for their usage of water, sewer, and garbage utilities in the City of Houston, and;

WHEREAS, the following persons have failed to pay their said utility bill in a timely manner;

Carl Ask Jr.	Stacy Botcher	Kim Fordahl
Howard Loveless	Sean Lucey	Luke Morgan
James Peterson	Nicholas Rahlf	Amanda Reinhart
Carly Rodriguez	John Wojahn	

WHEREAS, the City Code allows of the placement of said delinquent bills on the tax rolls.

NOW, THEREFORE BE IT RESOLVED, that the City Administrator be hereby instructed to inform the County Auditor that s/he shall place the following list of delinquent bills upon the taxes levied against the respective properties:

<u>Owners Name:</u>	<u>Parcel #:</u>	<u>Amount:</u>
Carl Ask Jr.	24.0113.000	\$608.78
Stacy Botcher	24.0543.000	\$2,184.30
Kim Fordahl	24.0364.000	\$248.09
Howard Loveless	24.0093.000	\$3,564.94
Sean Lucey	24.0258.000	\$2,577.15
Luke Morgan	24.0319.000	\$1,257.85
James Peterson	24.0180.000	\$297.59
Nicholas Rahlf	24.0295.000	\$1,683.70
Amanda Reinhart	24.0148.000	\$449.44
Carly Rodriguez	24.0235.000	\$1,750.49
John Wojahn	24.9004.000	\$2,783.74

**Ambulance/EMT Training:** Motion by Krage, seconded by Schultz to authorize paying EMT training expenses for all individuals who sign the Agreement and Commitment to Serve through 2022. Motion carried unanimously.

**Ambulance Collections Agreement:** Motion by Schultz, seconded by Mathers to approve the Collection Service/Hold Harmless Agreement with American Accounts & Advisers, Inc. (AAA) and authorize the appropriate signature. Motion carried unanimously. This will give the city another tool to collect unpaid debt. City Staff will determine which delinquent accounts will be submitted for collections. There is no cost if the city does not utilize the service.

**Audit Service Letter of Understanding:** Motion by Sanden, seconded by Mathers to accept the audit terms as presented and authorize the appropriate signature on the letter of understanding. Motion carried unanimously.

**Custodian:** Motion by Krage, seconded by Schultz to accept the resignation of Amanda Langheinrich, effective January 7, 2022, and authorize a competitive search for a part time custodian. Motion carried unanimously.

**Pumper Truck Loan:** Motion by Mathers, seconded by Schultz to adopt the following resolution and affirm authorization of the mayor and administrator signatures on all required documents to complete the loan application and closing processes. Motion carried unanimously.

#### **RESOLUTION 2021-17**

#### **A Resolution of the City Council of the City of Houston, Minnesota Authorizing and Providing for the Incurrence of Indebtedness in the Principal Amount of \$329,000.00 for the Purpose Providing a Portion of the Cost of Acquiring and Constructing a Pumper Truck, Providing for the Collection, Handling, and Disposition of Revenues Therefrom, and Authorizing Makings of Promissory Notes, Security Instruments, and Pledges of Revenues to Evidence and Secure the Payment of Said Indebtedness and for Related Purposes**

WHEREAS, the City of Houston, (hereinafter referred to as the "Organization"), was organized under MN Statutes Chapter 414.01, 412.22, 465.73 for the purpose of providing an Emergency response service to the City of Houston and surrounding area (hereinafter referred to as the "Facility") to serve the members of the said Organization; and

WHEREAS, a meeting of the members of the said Organization was held on the 12<sup>th</sup> day of October pursuant to proper notice thereof to consider plans for the acquisition, construction, and methods of financing the Facility: and, as shown by the minutes of said meeting, of the five members of record of the Organization there were present and voting five, and by a recorded vote, the Facility and its financing were authorized; and

WHEREAS, the proposed Facility is to be constructed and in accordance with plans and specification prepared by Macqueen Equipment and in order to finance the Facility, the City of Houston City Council (hereinafter referred to as the "Board") is authorized and empowered, in their discretion, for and in the name of the Organization, to make application to the United States of America, through the United States Department of Agriculture, (hereinafter referred to as the "Government"), for financial assistance; to cause the execution and delivery of an installment promissory note or notes or other evidence of indebtedness (hereinafter referred to as the "Note"), and appropriate security instruments to secure any loan or loans made or insured by the Government; to comply with any requirements, terms or conditions prescribed by the Government or by Government regulations; and to execute contracts or enter into agreements and, without limitation, to take any and all other action as may be necessary, incidental or appropriate to finance, acquire, construct, complete, or equip the Facility for and on behalf of the Organization.

NOW THEREFORE, it is hereby resolved by the Board as follows:

Section 1. (Determination of Board). That it is necessary to defray a portion of the costs of financing the Facility by obtaining a loan made or insured by the Government in accordance with applicable provisions of the Consolidated Farm and Rural Development Act, it being determined that the Organization is unable to obtain sufficient credit elsewhere to finance the Facility, taking into consideration prevailing private and cooperative rates and terms currently available;

Section 2. (Terms of Loan). That the Organization borrow \$329,000.00 and issue as evidence thereof Note in the form prescribed by the Government for the full principal amount of the loan. The note shall be signed by the President, attested by the Secretary and if necessary, have the corporate seal of the Organization affixed thereto, and shall bear interest from its date, which shall be the date of delivery, at a rate not to exceed 2.1250 percent per annum; the principal and interest shall be paid over a period of 12 years in accordance with the payment schedule set forth in the Note, until the principal and interest are fully paid except the final payment of the entire indebtedness, if not sooner paid, shall be due and payable 12 years from the date of the Note. Each payment shall be applied first to the payment of the accrued interest and second to the payment of the principal. Prepayments of any installment may be made in any amount at any time at the option of the Organization.

Section 3. (Assignment and Pledge of Revenue). The indebtedness hereby authorized to be incurred, together with the interest thereon, shall be payable from the gross income and revenue to be derived from the operation of the Facility, a sufficient portion of which, to pay the principal and interest as and when the same shall become due, is hereby assigned, and pledged and shall be set aside for that purpose and this assignment and pledge shall extend to and include any assessments that may be levied pursuant to Section 5 (d) hereof.

Section 4. (Protection and Disposition of Funds). The Finance Director of the Organization shall be the custodian of all funds of the Organization. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.

The Finance Director is hereby directed to establish the following accounts into which the current funds of the Organization, Note proceeds, the revenues from the Facility and any other income shall be deposited, which accounts shall be continually maintained, except as otherwise provided, so long as the indebtedness hereby authorized remains unpaid:

(a) Construction Account.

The proceeds of the Note, hereby authorized not disbursed contemporaneously with loan closing for incurred Facility costs, and at least the amount of \$ 0.00 to be contributed by the Organization from the collection of initial connection fees, membership fees or contributions shall be deposited in an account designated as the Construction Account with shall be established as required by the Government. Withdrawals from the construction account shall be made only on checks signed by the City Administrator of the Organization as authorized by the Board from time to time , and with prior concurrence of the Government. At the option of the Government, the construction account may be established as a "supervised bank account". Amounts in the supervised bank account exceeding \$100,000 shall be the secured by the depository bank in advance in accordance with 31 C. F. R. part 22. Withdrawals from a supervised bank account shall be made only on checks signed by the City Administrator of the Organization and countersigned by an authorized official of the Government. The Organization's share of any insurance or liquidated damages and other monies paid by defaulting contractors or their sureties will be deposited in the Construction Account to assure completion of the Facility. When all construction costs have been paid in full, any balance remaining in the Construction Account may be applied on the loan or used for other authorized purposes that have been approved by the Government and the Construction Account shall be closed.

(b) General Account.

As soon as the Facility becomes revenue producing, all funds received shall be set aside in an account to be designated as the General Account Disbursements and transfers from this account shall be for: debt service, operations and maintenance, and transfers to an account designated as the Reserve Account. Monies deposited in the General Account shall be used only in the manner and order as follows:

(1) Organizations making monthly Government debt service payments shall use the General Account for making such payments plus operating and maintenance expenses. Any remaining funds will be transferred from this account to the Reserve Account in accordance with (d) below.

(2) Borrowers making other than monthly Government debt service payments shall first use the General Account to pay operating and maintenance expenses. Then other transfers from this account will be made in the following order: (i) To an account designated as the Debt Service Account will be made in accordance with © below, (ii) Transfers to the Reserve Account will be made in accordance with (d) below.

(c) Debt Service Account

Organizations making other than monthly debt service payments, shall transfer subject to income availability from the General Account to the Debt Service Account, a sum not to increase the next installment on the note.

(d) Reserve Account.

From the remaining funds in the General Account, after transfers and payments required in (b) (1) or (b) (2) and (c), there shall be set aside into the Reserve Account the sum of \$ 262.00 each month until there is accumulated in that account the sum of \$ 31,351.00, after which deposits may be suspended, except to replace withdrawals. When necessary, disbursements may be used for payments due on the Note if sufficient funds are not available in the General or Debt Service Account. With the prior written approval of the Government, funds may be withdrawn for:

- (1) Paying the cost of repairing or replacing any damage to the Facility which may have been caused by catastrophe, or
- (2) Making extensions or improvements to the Facility.

Whenever disbursements are made from the Reserve Account, monthly deposits shall then be resumed until there is again accumulated the amount of \$ 31,351.00, at which time deposits may be discontinued. Whenever there shall accumulate in the General Account, amounts in excess of those required in subsection (b) (1) and (2), (c), and (d), such excess will be used by the Organization to make prepayments on the loan or retained in the General Account. The accounts required in subsections (b) (1) and (2), (c) and (d) may be established and maintained as bookkeeping accounts or as separate bank accounts at the election of the Organization, unless otherwise directed by the Government.

Section 5. (Other Covenants and Agreements of the Organization ). The Organization covenants and agrees that so long as the indebtedness hereby authorized remains unpaid:

- (a) It will indemnify the Government for any payments made or losses suffered by the Government.
- (b) It will comply with applicable state laws and regulations and continually operate and maintain the Facility in good condition.

- (c) It will impose and collect such rates and charges that gross revenues will be sufficient at all times to provide for the payment of the operation and maintenance thereof and the installment payments on the Note and the maintenance of the various accounts herein created. All service rendered by or use of the Facility shall be subject to the full rates prescribed in the rules and regulations of the Organization.
- (d) If, for any reason, gross revenues are insufficient, it will cause to be levied and collected such assessments as may be necessary to operate and maintain the Facility in good condition and meet installment payment on the Note as the same become due.
- (e) It will (i) establish and maintain such books and records relating to the operation of the Facility and its financial affairs, (II) will provide for the annual audit thereof in such manner as may be required by the Government, (iii) will provide the Government without its request a copy of each such audit, and IV) will make and forward to the Government such additional information and reports as it may from time to time require.
- (f) It will provide the Government, at all reasonable times, access to the Facility and all its books and records so that the Government may ascertain that the Organization is complying with the provisions hereof and with the provisions of other instruments incident to the making or insuring of the loan.
- (g) It will maintain at least such insurance and fidelity bond or employee dishonesty coverage as may be required by the Government.
- (h) It will not borrow any money from any source or enter into any contract or agreement or incur any other liabilities in connection with making extensions or improvements to the Facility, exclusive of normal maintenance, without obtaining the prior written consent of the Government.
- (i) It will not cause or permit any voluntary dissolution of the Organization or merge or consolidate with any other organization, without obtaining the prior written consent of the Government. It will not dispose of, or transfer title to the Facility or any part thereof, including lands and interest in lands by sale, security instrument, lease or other encumbrance, without obtaining the prior written consent of the Government. Revenue, in excess of the amount required to maintain the accounts described by Section 4 herein, will not be distributed or transferred to any other organization or legal entity.
- (j) It will not modify or amend its organization documents, including any articles of incorporation or bylaws without the written consent of the Government.
- (k) It will provide adequate service to all persons within the service area who can feasibly and legally be served and will obtain Government's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services with are feasible and legal, such person shall have a direct right of action against the Organization or public body.
- (l) All present and future contract rights, accounts receivable, and general intangibles arising in connection with the Facility are pledged as security for the loan.
- (m) It will comply with the measures identified in the Government's environmental impact analysis for this Facility for the purpose of avoiding or reducing the adverse environmental impacts of the Facility's construction or operation.

Section 6. (Security Instruments). In order to secure the payment of the principal and interest of the Note, the President and Secretary of the Organization are hereby authorized and directed to execute and deliver good and sufficient lien instruments, where necessary, encumbering the properties and assets. Both real and personal, constituting said Facility, as completed, or as the same may be thereafter extended, including an assignment and pledge of revenues and such other instruments as may be prescribed by the Government.



Section 7. (Refinancing). If at any time it shall appear to the Government that the organization is able to refinance the amount of the Indebtedness then outstanding, in whole or in part, by obtaining a loan for such purposes from responsibly cooperative or private credit sources, at reasonable rates and terms for loans for similar purposes and periods of time the Organization will, upon request of the Government, apply for, and accept, such loan in sufficient amount to repay the Government and will take all such actions as may be require in connection with such loan.

Section 8. ("Equal Employment Opportunity under Construction Contracts and Nondiscrimination"). The President and the Secretary be and they are authorized and directed to execute for and on behalf of the Organization, Form RD 400-1 "Equal Opportunity Agreement", and Form RD 400-4, "Assurance Agreement".

Section 9. (Authorization of Officials). In the case of a grant in the sum not to exceed \$ 0.00, the Organization hereby accepts the grant under the terms as offered by the Government and that the N/A and N/A of the Organization are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant and the Organization hereby resolves to operate the Facility under the terms as offered in said grant agreements.

Section 10. (Cross Default). Default under the provisions of this agreement or any instrument incident to the making or issuing of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Organization, and default under any such instrument may be construed by the Government to constitute default hereunder.

Section 11. (Resolution of Contract). The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instruments, shall constitute a contract between the Organization and the government or assignee as long as the note hereby authorized remains unpaid.

Section 12. (Effective Date). This resolution shall take effect and bin force rom and after the 13th day of December, being the date of this enactment.

**ARPA Funding:** Motion by Schultz, seconded by Sanden to adopt the following resolution. Motion carried unanimously.

#### **RESOLUTION NO. 2021-18**

#### **A RESOLUTION TO ACCEPT THE CORONAVIRUS LOCAL FISCAL RECOVERY FUND ESTABLISHED UNDER THE AMERICAN RESCUE PLAN ACT**

**WHEREAS**, Congress adopted the American Rescue Plan Act in March 2021 ("ARPA") which included \$65 billion in recovery funds for cities across the country.

**WHEREAS**, not more than 75% of the 2020 City budget will be allocated to the City of Houston pursuant to the ARPA ("Allocation").

**WHEREAS**, the City of Houston adopted resolution 2021-09 on June 14<sup>th</sup>, 2021, accepting the ARPA allocation.

**WHEREAS**, a specific amount of funds were designated for cities with a population less than 50,000 and are considered non-entitlement cities (NEU).

**WHEREAS**, a portion of funds designated to NEU's went unclaimed and therefore have been re-allocated to those NEU's that accepted funds.

**WHEREAS**, on November 23, 2021, an additional allocation in the amount of \$1,671.97 was deposited in the City of Houston account.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, MINNESOTA AS FOLLOWS:**

4. The City accepts the additional funds resulting from the re-allocation of unclaimed ARPA funds from the State of Minnesota to use in a manner consistent with the Department of Treasury's guidance.
5. City staff, together with the Mayor and Council are hereby authorized to take any actions necessary to receive the City's share of ARPA funds from the State of Minnesota for expenses incurred because of the Pandemic.
6. City staff are hereby authorized to make recommendations to the City Council for future expenditures that may be reimbursed with ARPA funds.

**Gambling Permit:** Motion by Schultz, seconded by Mathers to approve a gambling permit with no waiting period for the Houston Volunteer Fireman's Relief Association for an event to be hosted at the Houston Community Center on February 26, 2022, and for Sheldon Valley Sportsmans Association for an event to be hosted at the Houston Community Center on April 2, 2022. Motion carried unanimously.

**Designation of Polling Place:** Motion by Krage, seconded by Sanden to adopt resolution 2021-19 Designating the Annual City Election Polling Place. Motion carried unanimously.

**RESOLUTION 2021-19**  
**A Resolution of the Houston City Council Designating the Annual City**  
**Elections Polling Place**

WHEREAS, Minnesota Statute 204B.16 Subdivision 1 requires the governing body to adopt a resolution designating the annual polling place by December 31; and

NOW, THEREFORE BE IT RESOLVED, by the City Council that the Community Center located at 111 West Cedar Street is designated as the City of Houston's polling place.

**2022 Meeting Schedule:** Motion by Sanden, seconded by Schultz to approve the 2022 meeting schedule with changes as noted. Motion carried unanimously.

**Knights of Columbus Sign:** Brief discussion was held. Because details are needed prior to council acting the matter was tabled by consensus.

**2022 Rates Flaherty & Hood P.A.:** Motion by Sanden, seconded by Mathers to accept the 2022 Hourly Rate Schedule provided by Flaherty & Hood P.A.. Motion carried unanimously.

**Minutes and Bills:** Motion by Krage, seconded by Schultz to approve the minutes of the November 8, 2021, regular meeting, December 6, 2021, special meeting and bills as presented. Motion carried unanimously.

**Items to be Placed on File:** Motion by Mathers, seconded by Krage to place on file the following items. Motion carried unanimously.

Minutes of October 27, 2021, Fire Meeting  
Monthly Library Statistics for September, October, November, and December

**Department Head Updates:**

**Public Works:** Thesing stated some snow piles are not city generated. They are created by the County or sidewalk clearing. City maintenance will move those piles as time allows. It may take more than a day to get to them. He also reported the streetlights have been repaired. He requested anyone noticing malfunctioning streetlights to please let city staff know.

**Police:** Chief Hurley reported he has received a couple of applications for the vacant officer position. The lights in the police department have been updated by Hoskins Electric. He shared information about the visit by Santa scheduled for the coming weekend.

**Clerk/Administrator:** Quinn provided information related to the current city employment vacancies earlier in the meeting.

**Explore Minnesota:** The contract for Explore Minnesota has been presented to the city and requires the city, as "contractor" to mandate proof of vaccination and/or weekly testing of unvaccinated staff. It was the consensus to forego participation in Explore Minnesota. No action will be taken related to the memorandum of understanding proposed by Explore Minnesota Tourism.

**Public Comment:** Steve Westby questioned whether the city had received the final sound study yet. It was noted the city had not. Holly Westby questioned where meetings would be held if a large crowd were expected. The mayor indicated any meeting expected to generate a large crowd would be held at the Community Building.

**Adjourn:** Motion by Schultz, seconded by Sanden to adjourn the meeting at 6:41 p.m. Motion carried unanimously. The next regular meeting of the Council is scheduled for Monday, January 10, 2022.

By: \_\_\_\_\_  
David Olson, Mayor

Attest: \_\_\_\_\_  
Michelle Quinn, Clerk/Administrator