

Acting Mayor Matt Schutte called the City Council meeting to order at 6:00 p.m. with the Pledge of Allegiance. Present were: Matt Schutte, Kevin Knutson, Cheryl Sanden and Tony Schultz. Also present were: Chris Peterson, Audrey Hegland, Ellyn Baumann, Chief David Breault, Connie Verse, Sarah Wexler-Mann, Joe Krage, Trenton Kubitz.

Property/Liability Insurance Renewal: Tom Danielson reviewed the outline of the 2016 League Insurance and highlighted some of the rate changes made by the League for this year's renewal for all cities in MN. They are as follows:

- Municipal liability rates on average will decrease 3%.
- Property rates will decrease by 4%.
- Auto liability rates will remain the same.
- Auto physical damage rates will decrease by 10%
- Workers Compensation Rates will increase on average 3%. Increased on average 5% plus additional 2% for volunteer firefighters.

Other changes for this year were reviewed, as well as options available such as flood insurance on commercial property, an additional \$1 million liability limit over and above the general/auto liability coverage, and the option to increase of the current bond limit of \$100,000 (which is low for a city the size of Houston) to \$150,000 for an additional \$34/year. Higher rates are assessed to properties that are in the open, such as the Nature Center, parks, streetlights, hydrants, etc. Danielson stressed that certificates of insurance should be obtained from all independent contractors who do work for the City. Peterson stated that this is already the policy of the City. Total premiums paid for the year were \$36,059. After further discussion, MOTION BY SCHULTZ, SECONDED BY SANDEN, TO APPROVE THE INSURANCE RENEWAL WITH DANIELSON INSURANCE AGENCY; MOTION CARRIED UNANIMOUSLY.

Eagle Scout Project, South Park Trails – Trenton Kubitz: As part of his Eagle Scout project, Kubitz is will be establishing hiking trails in South Park and, recognizing the City's wish to ultimately create a 3-D archery trail, he intends to incorporate this into his project. He will work with Chris Peterson to obtain a good map of the trail area, and also work with Ed Jacobs in developing the trails and regulations necessary to include the 3-D component. MOTION BY SCHULTZ, SECONDED BY KEVIN TO APPROVE TRENTON KUBITZ' EAGLE SCOUT PROJECT; MOTION CARRIED UNANIMOUSLY.

Ellsworth Street Pay Application #2: A request for payment from TJ's Trucking and Excavating for the second portion of the Ellsworth Street project has been received. The underground water and sewer work has been completed and the project is fairly close to being on target. The sewer was televised and one area had some sediment that did not clear completely, but was corrected satisfactorily. The materials used are all PVC and the water service clamps were replaced as necessary. Density testing has been done on the street compaction and many loads of sand were brought in. MOTION BY KNUTSON, SECONDED BY SCHULTZ TO PAY REQUEST 2 OF THE ELLSWORTH STREET PROJECT; MOTION CARRIED UNANIMOUSLY.

Bolton & Menk Engineering Contract: A Master Agreement/Contract with Bolton & Menk was received for their services.

Amendment No. 1 to the Master Agreement was also received itemizing water engineering services, to include preliminary design, financing assistance and final design of the water treatment plant. It will also provide construction engineering services, bidding services, and preparation of an Operation and Maintenance Manual, and also will provide on-site start-up training of City staff.

Total cost for their engineering design and bidding services is \$175,000, subject to changes that require additional services, in which case, compensation will be at the applicable hourly rates. Actual construction engineering and on-site observation of the water treatment facility will be an estimated \$180,000. If pilot testing is required or requested, an on-site water treatment pilot test will be performed for a fixed fee of \$12,500.

Amendment No. 2 to the Master Agreement was received for waste water engineering services, to include preparation of a wastewater facility plan as per MPCA requirements which could be incorporated into a USDA Rural Development preliminary engineering report for an additional fee, if this method of financing is the best option.

MOTION BY SCHULTZ, SECONDED BY SANDEN TO APPROVE THE SERVICES TO BE PROVIDED BY BOLTEN & MENK ENGINEERING IN THE MASTER AGREEMENT AND IN AMENDMENTS #1 AND #2; MOTION CARRIED UNANIMOUSLY.

Nature Center Staff: Connie Verse will be semi-retiring as manager of the Nature Center, but would like to remain involved in her role as “Grandma Nature” and also filling in when there is a need. The Personnel Committee interviewed two individuals and has recommended the Council approve the hiring of Sue Wiegrefe as Nature Center Manager and Sue Fletcher as the Nature Center Assistant. MOTION BY SCHULTZ, SECONDED BY SANDEN, TO APPROVE THE PERSONNEL COMMITTEE’S RECOMMENDATION TO HIRE SUE WIEGREFE FOR 20 HOURS PER WEEK AS NATURE CENTER MANAGER AND SUE FLETCHER FOR AN AVERAGE OF 10-15 HOURS PER WEEK AS NATURE CENTER ASSISTANT, CONTINGENT UPON MEETING THE PRE-EMPLOYMENT REQUIREMENTS; MOTION CARRIED UNANIMOUSLY. In her report to Council, Verse stated that a free computerized inventory system is now in place which will be a real time-saving asset. She will be cross-training the two new people for two weeks. Diana Weinhardt-Treangen will still be available for some children’s programs. Verse stated she was glad to report that the number of visitors to the Nature Center continues to increase.

Minutes: MOTION BY SANDEN, SECONDED BY SCHULTZ TO APPROVE THE JULY MINUTES AS PRESENTED; MOTION CARRIED UNANIMOUSLY.

Financial Report/Review of Bills: One addition to the payables: Scott Construction, Inc. for the sealcoating of Plum, Sherman, Maple, Grant Streets and South Park; Invoice Total: \$30,833. MOTION BY SCHULTZ, SECONDED BY SANDEN TO PAY THE BILLS; MOTION CARRIED UNANIMOUSLY.

Department Reports:

Chamber/Promotion: Sarah Wexler-Mann reported on her attendance at Southern MN Tourism Association meeting in Lake City, which provided a valuable opportunity to meet people who are promoting SE Minnesota. The City will be included in a large Root River Trail ad that will appear in the SE Explore Minnesota periodical. Also available is a free web log-in to promote events in our community. She attended a Houston County EDA meeting and met the new Coordinator. It was stressed that all towns in the County should be familiar with the assets of each, for overall promotion purposes and tourism appeal. The annual Taste of the Trail will be held in September; she is working with her counterpart in Rushford on this event, and asked anyone present for ideas that would help make the day bigger and better, and hopes that people will volunteer to help. She continues to make a special effort to meet with local businesses, and spoke of the new Chamber website that details the town and its upcoming events.

Police: Chief Breault reported that Hoedown went well, as did the National Night Out Against Crime event. He said over 400 townspeople were present to enjoy a light meal and snow cones, visit and win small prizes. He thanked the volunteers who helped out with the event.

MOTION MADE BY SANDEN, SECONDED BY KNUTSON TO ADJOURN AT 7:08 PM; MOTION CARRIED UNANIMOUSLY. The Rural Fire Association Board convened following the Council meeting.