

Mayor Dave Olson called the City Council meeting to order at 6:00 p.m. on March 11, 2018 with the Pledge of Allegiance. Council present: Mayor David Olson, Matt Schutte, Tony Schultz, Cheryl Sanden and Emily Krage. Staff present: Chris Peterson, Randy Thesing, Ed Jacobs, and Suzie Peterson.

Public Comment Period: No public comment.

Financial Audit 2018: Andrew Forliti with Smith Schafer & Associates was present to discuss the audit and highlighted the following.

2018 Revenues:

- Tax Levy, \$501,890
- Local Government Aid (LGA) \$361,972.

2018 Expenditures (some expenses are offset by other sources of funds, ie. Library, OHV, Ballfield):

- General Government \$180,777
- Public Safety (Police, Ambulance, Fire) \$465,160
- Public Works (not including water/sewer) \$144,947
- Parks and Recreation (parks, community center, summer rec, nature center, ballfield, OHV) \$144,026
- Library \$94,321

General Comments:

- All funds ended close to 2018 budgeted amounts.
- General Fund Reserves: Unassigned general fund balance increased to \$271,390. Unassigned fund balance as a percentage of annual general fund expenses is 39%, up from 35.6% in 2017.
- Debt Service Obligation for 2019 \$268,172.
- Water Fund Cash Reserve to begin 2019 \$45,052.
- Sewer Fund Cash Reserve to begin 2019 \$60,910.

International Owl Center – Option Agreement: There was follow up discussion to the requested changes made by the Owl Center at previous meetings. The additional comments were:

- To add a definition of intended use to be “educational facility, open to the public”. It was also agreed that the City would make sure this type of facility would be allowed as a permitted use in the associated zoning district.
- Clarification was made that the paragraph 9(c) allow for 2 years to begin construction and 2 years after commencement of construction to put the facility in use. Therefore, it could be a total of 4 years from the transfer of property to when the facility is complete. The term “facility” is referencing the owl center building (minimum 5,000 SF), not the aviaries.
- Flood Easement. A paragraph must be added to allow the City to retain a Flood Easement according to Corps of Engineers standards.

Peterson will send the document to the City Attorney for review.

Variance Request for Maximum Garage Size– 425 Ellsworth Street S.: A Public Hearing took place on March 4, 2019 and there were no objections. The Planning Commission recommended approval with a note that the large lot size was a factor in the review. MOTION BY SANDEN, SECONDED BY SCHULTZ TO APPROVE THE VARIANCE REQUEST ALONG WITH THE CONCLUSIONS OF LAW STATED BY THE PLANNING COMMISSION; MOTION CARRIED UNANIMOUSLY.

Water Treatment Facility – Pay Estimate #5 Wapasha Construction: MOTION BY SCHULTZ, SECONDED BY SCHUTTE TO PAY WAPASHA CONSTRUCTION'S ESTIMATE #5 IN THE AMOUNT OF \$29,013 FOR WORK DONE ON THE WATER TREATMENT FACILITY; MOTION CARRIED UNANIMOUSLY.

Nature Center Furnace: Peterson asked for the Council's preference on moving forward to replace the heating system at the Nature Center. Thesing suggested the option to replace the system with a forced air furnace which would include the need for additional ductwork, but would be a simpler system than redoing the boiler system. Natural Gas will be extended to the facility. Council directed staff to get an estimate from the local HVAC Contractor for a forced air system.

Upcoming Board of Appeal and Equalization Meeting: Scheduled for 5:30 pm, Monday, April 15, 2019.

Mission 66 Playground Project Materials Order: Peterson explained there are several categories of materials to order for the project. She referenced the letter from Leathers & Associates which describes some of the specifications and that some items are sole sourced. For ie. Leathers required the structural lumber to be "Tangent" brand because it is the only manufacturer to use the co-extruded process. Peterson had three orders for approval: the pickets, the structural lumber, and the Liberty Swing. Overall project budget is looking good. Since the City received the two large grants it applied for, City funds are not needed to match one of the grants. Additional fundraising continues to cover final costs and contingencies. MOTION BY SCHUTTE, SECONDED BY SCHULTZ TO APPROVE THE PURCHASES; MOTION CARRIED UNANIMOUSLY.

Park/Rec Committee Appointments: To confirm Park/Rec Committee and appoint new members. The members include:

- Jessie Olson
- Kelly Porter
- Matthew Schutte
- Jason Rohweder
- Joffre Pedretti
- Steve Walters
- Catherine Minor

MOTION BY SCHULTZ, SECONDED BY KRAGE TO APPROVE THE PARK/REC COMMITTEE MEMBERS; MOTION CARRIED UNANIMOUSLY.

Consent Agenda Items: MOTION BY KRAGE, SECONDED BY SCHUTTE TO APPROVE THE CONSENT ITEMS (Minutes and Financial Report/Payment of Bills); UNANIMOUSLY APPROVED.

Department Reports:

Maintenance: Thesing reported some gutters have heaved due to frost which is preventing proper drainage. Maintenance truck is in need of replacement and Thesing will visit the dealer about the lease program.

Administration: Peterson noted MnDot has given an update on the plan for HWY 16 paving project. The City needs to send a letter to MnDot requesting coordination for the city utility replacements that will be needed.

Council: Emily announced an Arbor Day event to take place at the end of April and made a request for someone to donate a tree for the event.

Motion to Adjourn: MOTION BY SANDEN, SECONDED BY SCHUTTE TO ADJOURN THE MEETING AT 7:07 PM; MOTION CARRIED UNANIMOUSLY.

