

Mayor Edwards called the meeting to order on March 14, 2016 at 6 p.m. with the Pledge of Allegiance. Present were: Mayor Connie Edwards, Cheryl Sanden, Matt Schutte, Kevin Knutson and Tony Schultz. Also present were: Chris Peterson, Audrey Hegland, Ed Jacobs, Elyn Baumann, Liz Gibson-Gasset, Chief David Breault, Jim Kochie of Davy Engineering, Thomas Trehus, Nathan Bailey, Carol Meeks, Karen Todd, Francis Van Gundy, Terry White, Ed Jacobs, Tom Wente of Smith Schaffer Auditors, Pastor David W. Wiersbe, Bob and Laura Gaustad, Jon Hibbs, Joseph & Shannon Evanson, and Brent Stampka. Mayor Edwards opened the meeting with the Pledge of Allegiance.

Financial Audit 2015 Report: Mayor Edwards introduced Tom Wente, of Smith Schafer who reviewed the Audit, which included the General Tax Levy; he noted there was no increase in the levy again in 2015.

Other areas reviewed included Tax Increment Revenue (two TIF Districts currently exist, one will be expiring in 2016), LGA Revenues (slight increase expected for 2016); Governmental Fund Revenues (Income from User Charges, Property Taxes and LGA). Expenditures were listed including General Governmental, Public Safety, Police, Ambulance, Fire, Public Works, Parks and Recreation, Library, Economic Development, Major Governmental and General Fund. Also included was Budget to Actual Expenditures. The General Fund Reserves at the end of 2015 had decreased to 34%; Wente suggested the City watch this so it does not decrease further; Special Revenue Fund Reserves and Fund Balances and Debt Service were itemized; all payments are being made on a timely basis. He stated that the Water/Sewer Fund is not gaining ground but that there would a rate increase in 2016 which may help offset operating and administrative costs. Wente noted that the City is in compliance with a new Accounting Standard for Pensions adopted in 2015. Capital Project Funds balances were itemized as were Enterprise Funds. The complete Audit Report is available at City Hall for review.

Mayor Edwards introduced Thomas Trehus, who is running for the State House in the coming November election. He spoke briefly about his background and what he hopes to accomplish for SE MN if elected.

Public Hearing: Mayor Edwards called the Public Hearing to order at 6:00 p.m. to discuss and approve the Ellsworth street reconstruction plan and general obligation street reconstruction bonds. Every property owner on the street has received notification of the public hearing. Peterson has been working with the City's Financial Planner regarding how the City will pay for the repair, which will be the issuance of up to \$450,000 in G.O. Street Reconstruction Plan bonds.

Kochie summarized the work to be done. In 2002 the City underwent a restoration project from Hwy 16 down to the end of Ellsworth Street that included sewer repair work, all new water mains and sewer services and spot-replacing curb and gutter where needed, then resurfaced the street. Since that time the street has had extensive trench settlement issues and a few years ago, issues with the water service connections arose. In 2012 the City televised the sewer main.

The proposed improvements will include sanitary sewer main and service line repairs and replacements based on conditions found during the televising study. Water service connections at the main will be investigated and replaced as needed due to failures from corrosive soil conditions. The faulty connections will be replaced.

Property owners who did not have their sewer service replaced in 2002 are highly encouraged to do so at this time. The City will have the project bid with a line item for the replacement of sewer service connections (from the main line to the curb). It is preferred that property owners take advantage of this cost efficiency and pay to have their service replaced during this project, but is entirely voluntary. The approximate cost to each owner would be \$800-1,000. If replacement is needed at a later time, the homeowner would be responsible to hire a contractor and also pay for the related street repair. Timeline: The bid process will begin in April; the project will start in June, and street paved in the Fall.

Question from Francis Van Gundy: "Will there be an inspector for this new work? It is important to stay on top of a project. Before, the project was not inspected often enough. I was new to the Council at that time – hadn't been on very long so was pretty green; also was gone quite a bit driving bus, but I thought we could rely on you to watch this project." Kochie replied that "It is unfortunate that the problem was not caught at that time."

Van Gundy: "So what about this time? Will you be there?" Kochie: "We will provide the inspection if the City wants us to. If so, Davy Engineering intends to have someone here at all times when there is any underground work being done – when any critical stages are underway. Or the City could hire an independent contractor to oversee the project. Cost-wise, the \$342,755 is to fix just the area identified by the televised process; with built-in contingencies, engineering and bonding costs and construction services, total cost is \$483,245 for an expected five years."

Peterson stated that in projects of this nature there are different levels of inspections that could be required and perhaps the initial project called for a lower level of inspections. This time there will be better control over the project with design and inspections by Davy Engineering, and there may be another option that may be recommended to the Council - that in addition to inspections by Davy, that the City hire an independent inspector."

Van Gundy: "You mean CMS or the building inspectors?" Peterson: "No, not a building inspector; we would need someone who is more familiar with the underground and streets..."

Question from Van Gundy: "Will there be any warranty on this new work? For how long? Two-three years?" Kochie: "A warranty could be had for a year or maybe two but three years would be unlikely. One of the problems at that time was that the soils were not replaced but instead, put back in and not compacted enough. In this case we will be bringing in new soil and will be more aggressive on compaction and testing."

Comment by Bob Gaustad: "If the street is torn up anyway, it would make sense for homeowners to opt to replace the sewer lines for every house on the street so it never has to be worked on again." Peterson stated that separate agreements would have to be obtained from each homeowner to replace the sewer lines. Every homeowner will be called independently to discuss their options.

There being no further discussion, Mayor Edwards closed the public hearing at 7:10 p.m. and called the City Council meeting to order.

Adopt a street reconstruction plan and issue general obligation street reconstruction bonds (Ellsworth St.)

Resolution 2016-4: MOTION BY SCHULTZ, SECONDED BY SANDEN TO APPROVE THE RESOLUTION TO ADOPT A STREET RECONSTRUCTION PLAN AND ISSUE GENERAL OBLIGATION STREET RECONSTRUCTION BONDS (ELLSWORTH ST. RESOLUTION 2016-4); MOTION CARRIED UNANIMOUSLY.

Approve plans and specifications for Ellsworth Street Reconstruction and authorize bidding: MOTION BY SCHUTTE, SECONDED BY SCHULTZ TO APPROVE PLANS AND SPECIFICATIONS FOR ELLSWORTH STREET RECONSTRUCTION AND AUTHORIZE BIDDING; MOTION CARRIED UNANIMOUSLY. The bids opening will be on April 21.

Community Garden – Proposed Shelter: Roger Meyer is requesting permission from the Council to construct 10x10' structure just south of the Community Garden area to provide shade and shelter for volunteers. MOTION BY SANDEN, SECONDED BY KNUTSON TO APPROVE THE PROPOSED COMMUNITY GARDEN SHELTER AS PRESENTED; MOTION CARRIED UNANIMOUSLY. Peterson will check to make sure there are no conflicts with flowage easements existing in this area that could be of concern, but it was not thought to be likely.

Resolution to cancel special assessment (1991): The County Auditor has been reviewing old records and noted one still in the books; she request the City cancel this assessment. MOTION BY SANDEN, SECONDED BY SCHULTZ TO APPROVE CANCELLING THE SPECIAL 1991 ASSESSMENT; MOTION CARRIED UNANIMOUSLY.

Ash Tree Removal: Two bids have been received to remove the ash trees in town. Jacobs will contact each homeowner; if they prefer to arrange for the removal themselves, they must contact City Hall with the name of the

individual/company removing the tree and proof of insurance. Otherwise if the City arranges for the removal, it will be a shared cost. The one bid received is so reasonable that the homeowner may opt to split the cost with the City rather than do it themselves. MOTION BY SANDEN, SECONDED BY SCHUTTE TO ACCEPT THE BEARBOWER QUOTE; MOTION APPROVED UNANIMOUSLY.

Also discussed again was the possibility of creating wood sculptures in the large trees in the City Park; would cut them down to 10 or 12 feet and leave the remaining trunk for the carving. Council agreed, provided the trees are not hollow. The cost to remove the three trees that are in the Park was discussed and it was debated whether a verbal commitment or motion by the Council was made at the February Council meeting. This matter was tabled until Peterson can check the video of the February meeting.

Quotes for Sealcoating: This expense is budgeted; a proposal has been received to sealcoat streets that were identified as most in need: Grant, Plum, and Maple Streets. MOTION BY SCHULTZ, SECONDED BY SCHUTTE TO ACCEPT THE PROPOSAL FROM SCOTT CONSTRUCTION IN AN AMOUNT NOT TO EXCEED \$30,000 FOR THE 2016 SEALCOATING PROJECT, TO INCLUDE AN ADDITIONAL \$2,000 TO PROVIDE SHAPING ON MAPLE STREET; MOTION CARRIED UNANIMOUSLY. Another series of streets that need to be seal coated will be identified and included in next year's budget.

Water Meter Reader Quote: The City's water meter reader is old and not working well; Jacobs has researched a replacement and identified the one that would provide the best service. With this, the services of Tri-County would not be needed any longer. Council requested Jacobs/Thesing check for other meters that would be comparable, but less expensive, since this particular one costs \$8,500. MOTION BY SCHUTTE, SECONDED BY SCHULTZ TO TABLE THIS DISCUSSION UNTIL THE NEXT MEETING WHEN MORE INFORMATION IS AVAILABLE; MOTION CARRIED UNANIMOUSLY.

City Land on Westgate Drive: The City is considering selling a portion of the land owned on Westgate Drive for economic development; a survey is necessary to determine the boundary of the ponding area and flowage easements to establish the maximum buildable area. The City also needs a legal description of the land to be transferred. Peterson suggested that the property be surveyed and a certificate of survey filed at the County Courthouse. Davy Engineering will do the work for \$2,500; costs involved in the sale will be recovered from the buyer. Vacating Spruce Street on Westgate Drive was discussed. It was pointed out that this is a dedicated street but not developed as such as yet. If approved by the Council, a public hearing would be scheduled. MOTION BY SCHULTZ, SECONDED BY SCHUTTE TO SURVEY THE PROPERTY WITH THE UNDERSTANDING THAT THE POTENTIAL PROPERTY OWNER REIMBURSES THE CITY FOR THESE COSTS; MOTION CARRIED UNANIMOUSLY. The actual street vacation will be put on hold for the time being.

Gambling Permit – Sheldon Valley Sportsmen's Association: MOTION BY SANDEN, SECONDED BY SCHUTTE TO APPROVE THE GAMBLING PERMIT FOR THE SHELDON VALLEY SPORTSMEN'S ASSOCIATION; MOTION CARRIED UNANIMOUSLY.

Event – Wagon Train Fundraiser for Camp Winnebago: A Wagon Train Fundraiser for Camp Winnebago is planned for June 22. They will be staying overnight at the area around the Festgrounds so must be made to understand the limitations of staying on City-owned land.

Schedule Special Meeting to update Financial Plan: Bubany will meet with the Council on April 18, 5:00 p.m. regarding financing any future necessary projects.

Department Reports:

Police: The new software necessary to communicate with the state needs to be installed in his squad; cost is \$5,500. A matching grant has been received from the State but to date it has not been received; has been delayed

twice. Hegland will help him look for local financial assistance so the software can be installed sooner. Chief Breault will be attending the 2015 MN Chiefs of Police Association Executive Training Institute on April 17-20.

Library: A letter of support is needed from Summer Rec Director Jason Carrier for the Library's SELCO Community Collaboration grant due on March 23. The grant will help pay for parts of the proposed Book Bike Project which ties into the summer reading's exercise/wellness theme. Gasset provided a monthly overview of the Library activities, one being the successful fundraising done for an outdoor community sign that will be placed on the Library's north wall. It will be available for use by community members as a means to get the word out. Also included in her report was the monthly circulation statistics which shows the Library doing well.

Maintenance: Insulation has been blown into the ceiling of the Food Shelf. Schutte thanked the Maintenance crew for their help in the Food Shelf renovation. Water mains will be flushed the first week in April. Additional lights have been installed at the Maintenance shed for better visibility at night. Schutte requested assistance in finding a suitable place to store the Hollidazzle equipment. Ellsworth Street project: They are going to dig a sample hole to determine the condition of the connections.

Minutes: MOTION BY SANDEN, SECONDED BY SCHULTZ TO APPROVE THE FEBRUARY 8 COUNCIL MINUTES; MOTION CARRIED UNANIMOUSLY.

Financial Report: MOTION TO PAY THE BILLS MADE BY KNUTSON, SECONDED BY SCHUTTE; MOTION CARRIED UNANIMOUSLY.

Planning Commission Minutes: Included in packet for Council's review.

Fire Department: Minutes included in packet for review. The current hiring policy was discussed; Peterson will check with the MLC regarding appropriate procedures when hiring internal officers. Compliance was felt to be important since the Fire Department is part of the City auspices.

MOTION BY SANDEN, SECONDED BY SCHUTTE TO ADJOURN THE MEETING AT 8:50 PM; MOTION CARRIED UNANIMOUSLY.