

Mayor Edwards called the City Council meeting to order at 6:00 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, Randy Thesing, Ellyn Baumann, Jim Kochie and Mike Davy of Davy Engineering, Francis Van Gundy, Terry White, Mary Walker and Reverend David Wiersbe.

Mayor Edwards called the Public Hearing to order, stating the purpose is to discuss and receive comments regarding a proposed change in zoning from Commercial to Residential for four lots in Prairie Meadows. Peterson stated there have been no businesses built on any of the four lots and there is interest in building a home on one of the lots at this time; therefore, she recommends a change in zoning from C-2 to R-1 (residential). Regarding the eastern-most lots owned by the City that possibly would be used for a new Community Center, she said government buildings are allowed in Residential, but if another entity built a community center, it would not be as clear if it would be allowed in Residential.

There being no other comments or questions, Mayor Edwards closed the Public Hearing at 6:10 p.m. and convened the City Council Meeting.

**Zoning District Amendment – Prairie Meadows Subdivision:** MOTION MADE BY SCHULTZ, SECONDED BY SCHUTTE TO APPROVE THE REZONING OF LOTS 1 AND 18 IN BLOCK 2 BY CHANGING TO RESIDENTIAL FROM COMMERCIAL, AND THAT THE OTHER TWO, LOTS 1 AND 2 IN BLOCK 3 REMAIN ZONED COMMERCIAL; MOTION CARRIED UNANIMOUSLY. The Ordinance amending the change in zoning designation as discussed is as follows:

AN ORDINANCE AMENDING THE ZONING DESIGNATION OF FOUR LOTS IN THE PRAIRIE MEADOWS ADDITION:

LOT 1 AND LOT 18 OF BLOCK 2

FOR THE CITY OF HOUSTON, COUNTY OF HOUSTON, MINNESOTA

Whereas, the Prairie Meadows Addition Plat was recorded at Houston County October 31, 2005;

Whereas, the City Council of the City of Houston adopted an official zoning map on January 11, 2010, which designates the four lots Commercial C-2.

Whereas, the Houston Planning Commission recommends amending the zoning map and designating the two lots as Single Family Residential R-1 due to their similar orientation and size to the other residential lots in Prairie Meadows;

Whereas, notice was given and public hearing was held on May 9, 2016.

Now therefore, the City Council of the City of Houston, Minnesota, ordains:

Lot 1 and Lot 18 of Block 2, of the Prairie Meadows Addition be zoned Single Family Residential R-1.

PASSED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, MINNESOTA THIS 9TH DAY OF MAY, 2016.

CONNIE EDWARDS, MAYOR

CHRISTINA PETERSON, CITY ADMINISTRATOR

**Ellsworth Street Bids – Award Contract:** Four bids were received for the Ellsworth Street reconstruction; Kochie recommended awarding the bid to T. J. Trucking and Excavating of Winona; they had the low bid of \$301,253.75 for the base bid with sanitary sewer repairs. Kochie said they are a reputable firm and he has worked with them on various prior projects. Their alternative bid that included water repairs, street improvements and sewer replacement was \$426,423. Kochie included cost summaries describing their recommend budgets for each option. Construction budgets include 9% of construction cost for engineering and a 10% cushion for contingencies. They recommend having more inspection during the underground construction and limit field time for street reconstruction to minimize costs. Sewer service line replacement that will be the property owners' responsibility was bid at \$1,090 for a four-inch sanitary sewer line and \$1,170 for a six-inch sewer line. Total costs for base bid and sewer repairs only, including engineering fees, bid and award process, construction phase engineering, legal, fiscal and administrative costs and 10% contingencies is \$377,374.75. Total cost for the alternative sewer replacement with above expenses is \$527,934.75.

The Council discussed both options and determined that as long as the street is torn up it would be best to do the complete reconstruction. Kochie stated that the PVC pipe that will be used has a life expectancy of 55 years. After further discussion, MOTION WAS MADE BY SCHULTZ, SECONDED BY KNUTSON TO ACCEPT THE BID SUBMITTED BY TJ TRUCKING IN THE AMOUNT OF \$426,423.75; MOTION CARRIED UNANIMOUSLY. There are 29 homes that are yet to have new sewer connections installed. They had been quoted an estimated cost of \$800-\$1,000, but the actual cost is between \$1100-1200; Peterson requested Council approval to keep the price at \$1,000, since this is within the amount they had been quoted. MOTION WAS MADE BY SANDEN, SECONDED BY SCHULTZ THAT HOMEOWNERS BE CHARGED \$1,000 FOR NEW SEWER LINE CONNECTIONS FROM THE MAIN TO BEHIND THE CURB; MOTION CARRIED UNANIMOUSLY.

Mike Davy outlined the process that his firm customarily follows during a project similar to Houston's, stating they budget for average conditions and as a rule, when they are doing the job they provide the on-site inspection. In addition to Davy's inspection, the City could opt to have their own part-time or full-time additional inspector. The time spent by this individual would be taken from the initial amount budgeted for inspection. Also important would be for the City's inspector to communicate with Davy's inspector. Peterson suggested that the Council approve the hiring the engineering firm for the job, with a maximum amount to be spent.

Davy's hourly rates were requested by Peterson. Mike Davy replied that construction phase rates would total an estimated \$38,000, which could be reduced if the City's inspector provides some of the inspection. In response to a question, Davy indicated that by the June meeting, the project could be underway. Peterson indicated that homeowners will be informed when the project will start, along with phone numbers to call for further information or questions they may have.

Peterson recommended that the Council approve Davy Engineering provide construction phase services on the project for a maximum of \$40,000. MOTION MADE BY SCHULTZ, SECONDED BY SCHUTTE TO APPROVE DAVY ENGINEERING TO PROVIDE THE PROJECT'S CONSTRUCTION PHASE SERVICES FOR A MAXIMUM OF \$40,000, AND NO MORE WITHOUT COUNCIL APPROVAL; MOTION CARRIED UNANIMOUSLY.

**Ellsworth Street Financing:** Mike Bubany, City's financial advisor, provided his recommendation to finance the Ellsworth Street Project; it will be through General Obligation Street Reconstruction and Disposal System Bonds as per Mn Statute Chapter 475. The recommended size of bond issue is \$544,000 (\$450,000 as General Obligation Reconstruction Bonds as presented at a public hearing held on April 25, 2016, at which time there were no objections voiced, and \$94,000 issued as General Obligation Disposal System Bonds as per MN Statute Chapters 115 and 475).

Project and Component Costs: Total Capital Costs: \$521,535 plus Issuance Expenses, Capitalized Interest and Surplus Funds total \$544,000. The principal will be deferred until February, 2019 to allow levies associated with prior bonds

to become available. Drown recommends the Bonds be issued through the MN Rural Water Association's MIDI Loan program for a 10-year term, and authorize the City Administrator to apply for the loan. MOTION BY SCHULTZ, SECONDED BY SANDEN, TO AUTHORIZE CHRISTINA PETERSON AS CITY ADMINISTRATOR TO APPLY FOR THE MN. RURAL WATER LOAN AS PRESENTED; MOTION CARRIED UNANIMOUSLY.

**July 9 – Root River Bluff and Valley Bicycle Tour Event:** The Tour will be camping at the Nature Center overnight. At this time, over 50 people are expected. The event will be a fundraiser for the various towns involved. A band will play from 6-9 p.m at JT's. Discussion was held about closing off the parking lot or the street between AcenTek and JT's for the event. MOTION BY SCHUTTE, SECONDED BY SCHULTZ, TO APPROVE THE EVENT AND CLOSE THE NORTH END OF PLUM/SHERMAN STREETS FOR THE EVENT; MOTION CARRIED UNANIMOUSLY.

**Chamber of Commerce – Potential Location for Circus:** A circus has contacted the City to come to Houston on August 4. The Chamber will be discussing this at their next meeting but would like to know if the City supports this event and would allow it to be held at the Prairie Meadows field or the staging areas west of Hoedown's tractor pull. Thesing said water could be made available for the animals. The Chamber would be responsible for the clean-up. The circus would provide portapotties and limited concessions. Thesing recommended the Prairie Meadows location because it has the most accessible potable water source. MOTION BY SCHULTZ, SECONDED BY KNUTSON, TO ALLOW THE CHAMBER TO DETERMINE WHICH OF THE TWO SITES WOULD WORK BEST; MOTION CARRIED UNANIMOUSLY.

**City Park Bathrooms – Concrete Walk:** Thesing recommended a four foot slab of cement be placed on the southern side of the bathrooms. Due to lack of sunlight, no grass will grow and the area is often muddy. MOTION BY KNUTSON, SECONDED BY SCHUTTE TO APPROVE THAT A FOUR-FOOT CEMENT SLAB BE POURED ON THE SOUTH SIDE OF THE PARK BATHROOMS; MOTION CARRIED UNANIMOUSLY.

**Temporary Liquor License – May 14, 2016 Hoedown Grounds:** MOTION BY SANDEN, SECONDED BY SCHULTZ TO APPROVE THE TEMPORARY LIQUOR LICENSE FOR THE AMERICAN LEGION FOR MAY 14, 2016; MOTION CARRIED UNANIMOUSLY.

**Minutes:** MOTION TO APPROVE THE APRIL 11 MINUTES; MOTION CARRIED UNANIMOUSLY.

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

**Department Reports:**

Maintenance: Holes in the streets are being filled, and mowing notices are being sent where necessary. The levee maintenance project will be starting in a week. The three summer employees are working well. There are new memorial benches placed in the business district and the former older wooden city benches can be used elsewhere in the community.

City Administrator: Taylor Laschenski, part-time marketing intern for the City, has graduated from Viterbo and taken a full-time job. Sarah Wexler-Mann will begin her employment in a shared City Marketing and Chamber position for 10 hours/week. She is currently located in the office outside the Police Department at City Hall. Peterson said there is a real need for additional organized marketing in Houston, and the new Chamber growth will help fund the position. The use of social media and the internet will be emphasized to market the town and its Chamber. Another project will be to get a repository of good promotional photographs. Peterson encouraged everyone to attend the Chamber meetings.

MOTION BY SCHULTZ, SECONDED BY SANDEN TO ADJOURN THE MEETING AT 7:20 P.M; MOTION CARRIED UNANIMOUSLY.