

Mayor Connie Edwards called the City Council meeting to order at 6:00 p.m. with the Pledge of Allegiance. Present were: Kevin Knutson, Cheryl Sanden and Tony Schultz. Also present were: Chris Peterson, Audrey Hegland, Liz Gibson Gasset, Randy Thesing, Ed Jacobs, Ellyn Baumann, Chief David Breault.

Public Comment Period: None.

Temporary Liquor Licenses: MOTION BY SCHULTZ, SECONDED BY SANDEN TO APPROVE THE TEMPORARY LIQUOR LICENSE APPLICATIONS FOR THE AMERICAN LEGION (TWO) AND FOR THE CHAMBER FOR THE TASTE OF THE TRAIL EVENT; MOTION CARRIED UNANIMOUSLY.

Tree Carving Grant Application: Friends of the Nature Center will apply for a grant for tree carving in Trailhead Park and also may include in the application the carving in the City Park. Audrey Alfson will be writing the grant and the Park & Rec Committee suggested the carvings in the Park focus on animals found in this area, specifically a whitetail deer, an owl and a fish. Another suggestion was to carve a tiny house or cottage.

Peterson stated that Craig Stanislawski's has an idea to promote the whitetail deer in this area by creating a whitetail deer center, possibly housed in the Nature Center. Peterson suggested a special Council meeting be scheduled with the Chamber and Friends of the Nature Center as well as others in the community including Mike Sieve and Travis Peterson. The date of Monday, September 26, 6 p.m. was set for this discussion. Refreshments will be served.

Variance – 409 S. Grant St: A variance has been applied for in order to extend the current porch at 409 S. Grant 5' further toward the street to alleviate water and ice runoff that poses a nuisance and a hazard. Peterson stated the Planning Commission has recommended the Council approve this variance, since the application qualifies under MN Statutes Section 462.357, sub. 6 and the Rule of Law, and there are practical difficulties in complying with the zoning ordinance. After further discussion, MOTION WAS MADE BY SANDEN, SECONDED BY KNUTSON, TO APPROVE THE VARIANCE REQUEST FOR 409 S. GRANT STREET; MOTION CARRIED UNANIMOUSLY.

Preliminary Budget and Proposed Tax Levy: Peterson announced that this meeting is to present to the public the proposed 2017 Budget and Preliminary Property Tax Levy for the taxing district of Houston. She then provided a 2017 Budget Recommendation and Narrative for consideration, stating that the report was developed based on last year's budget, annual audit recommendations, feedback and directives from the City Council over the past year, department reports and ongoing goals outlined in the City's Comprehensive Plan and other planning initiatives. The report included Revenue and Expenditure Summaries.

Peterson stated that while no changes in the levy occurred in 2015 or 2016, the 2017 levy is proposed to be a 4% increase over last year to meet significant facility and infrastructure needs. The report included a rough project schedule and planned funding sources list, with Peterson stating that changes may occur based on affordability. A project update was provided including the Water Treatment Project (Radium Treatment), Flood Levee Recertification, Wastewater Treatment Facility, Infrastructure Maintenance/Replacement, New Infrastructure, and the Community Center (the Community Center will have to wait until funding materializes, even though it will require some ongoing maintenance until this occurs). The Community Center topic will be added to the whitetail deer/Nature Center meeting on September 26. The grant funds for the water treatment plant and Lincoln Street reconstruction are on hold until state funds are allocated.

The 2015 Audit Review noted that the unassigned general fund balance at the end of 2015 represented 34% of general fund expenditures, whereas 50% is ideal, so an attempt will be made to set aside funds toward bringing this percentage up to the 50% level. The Auditor also noted that the water/sewer funds were not developing reserves for future capital needs; rates were increased for water/sewer in February, 2016. The proposed property tax levy collectible in 2017 totals \$454,161; 2014's levy was \$437,126, with no increase in the intervening four years.

Peterson mentioned that the City will again be seeking funding to rehab some houses.

She presented Resolution #2016-11, Adopting Preliminary 2016 Tax Levy and Collectible in 2017 for Council review, representing an increase of 4%. Mayor Edwards commented that any new construction will help offset some of this cost.

Peterson reviewed the various fund balances and anticipated expenses: Pertaining to the vehicle fund, Thesing requested Council consider trading in the current large mower that has logged many service hours, yet still has an approximate \$11,000 trade-in value. Also to be considered is technology upgrades for data and email. Another expense will be to put some repairs into the aging Community Center.

She noted that the Sewer Fund is not gaining as much as the Water Fund due to there being four debt payments from this account – the Plum Street sewer improvement project (to be paid off in 2018), and also Sherman, Stoddard and Westgate sewer repairs. The Flood Levy Recertification was another expense. Peterson asked Council members to contact her if they have any questions so they are prepared to answer questions or comments they may receive from the public. MOTION BY SCHULTZ, SECONDED BY KNUTSON TO APPROVE THE PRELIMINARY BUDGET AND PRELIMINARY TAX LEVY; MOTION CARRIED UNANIMOUSLY. The Public Hearing for the 2017 Budget and Property Tax Levy will be held on December 12, 2016, 6:00 p.m. in City Hall. Peterson will be working on a newsletter, in which she will stress the date for the Public Hearing.

TIF District No 1 Decertification: The Root River Market's TIF is complete with an excess of \$4,000 in the fund, to be sent to the County, some of which will come back to the City. MOTION BY SANDEN, SECONDED BY KNUTSON TO DECERTIFY TIF DISTRICT NO 1; MOTION CARRIED UNANIMOUSLY.

Police Department Staffing: Chief Breault would like to replace officer Darin Daveau's full-time position, keeping one of the current part-time officers if needed. The full-time position will be posted. He asked the Council for direction in disposing of the 2007 squad car that is no longer in use. He will remove all City-related signage and as much of the equipment as is usable and advertise the unit for sale as-is on an appropriate web site. MOTION BY SCHULTZ, SECONDED BY SANDEN, TO POST A NOTICE FOR A FULL-TIME POLICE OFFICER; MOTION CARRIED UNANIMOUSLY. Chief Breault will get the necessary details to the Banner.

Minutes: Mayor Edwards noted she was not present at the August meeting; the sentence referring to her will be corrected. MOTION BY SCHULTZ, SECONDED BY SANDEN TO APPROVE THE MINUTES WITH CORRECTION NOTED; MOTION CARRIED UNANIMOUSLY.

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

Planning Commission and Fire Department Minutes were available for Council review.

Department Reports: Library: Liz Gasset distributed her monthly report to Council at-table. She highlighted the exterior problem of the building on the south and west sides that are leaking due to disintegrating tuck pointing. The problem must be fixed or it will only compound when spring rains come. Various options are being sought along with costs involved.

The Library will be participating in the coming Taste of the Trail event at Trailhead Park Bandshell by hosting a Saturday Morning Story Time adventure for children, and partnering with ECFE and Houston County Public Health to do a Storywalk event at this time.

She requested the Council's support for a Community Collaboration grant application that is being submitted

as a group by the five Houston County libraries by SELCO'S October 5 deadline to install 25 Little Free Libraries throughout the County in the Spring, 2017. Five will be placed in Houston. She presented a letter expressing Council's support for Mayor Edward's signature. Gasset will help plan and write the grant, handle publicity and the coordination of decorating and installation, should the grant be approved. MOTION BY SCHULTZ, SECONDED BY SANDEN, THAT THE COUNCIL SUPPORT THE COMMUNITY COLLABORATION GRANT APPLICATION OF THE FIVE HOUSTON COUNTY LIBRARIES; MOTION CARRIED UNANIMOUSLY. Mayor Edwards signed the letter of support.

Gasset stated she met with a representative of the Bremer Trust for their support to replace computers, wireless hotspots, laptops, e-readers, etc. for check-out.

She praised Beth Peterson-Lee's diligent work on behalf of the Library and encouraged Council's support of her efforts.

Maintenance: Thesing stated that by the end of the week, the Ellsworth Street project should be completed. Will be flushing the mains soon; the appropriate notice will be placed in the Banner for two weeks. Part-time summer help is drawing to a close; it has worked out well. A culvert was installed at the top of Grant Street and seems to be doing well even after the recent heavy rains. Thesing noted that two trees by the end of Cedar Street are heaving the sidewalk up as they have grown too large. They should be removed before winter, along with one that is dead. He requested Council's help in finding a solution to this problem because there are other places where this is occurring.

Administrator: Peterson invited all Council members to attend the Taste of the Trail event on September 24.

MOTION BY SANDEN, SECONDED BY KNUTSON TO ADJOURN AT 7:40 P.M; MOTION CARRIED UNANIMOUSLY.