

Mayor Dave Olson called the Special City Council meeting to order at 6:00 p.m. on March 20, 2017 with the Pledge of Allegiance. Present were: Mayor David Olson, Kevin Knutson, Cheryl Sanden, Matt Schutte and Emily Krage. Also present were: Chris Peterson, Audrey Hegland, Chief David Breault, Ed Jacobs, Fred Huhn and Bill Hoskins.

Business before the Council:

Capital Improvements and Financial Plan – Mike Bubany: Mike Bubany, of David Drown & Associates, presented a power point summary of the City's Capital Improvements and Financial Plan that addressed the current City debt, various projects being considered, their prioritization, cost, and how they might be paid for. Bubany will provide a written copy of the summary for the Council and Peterson. In brief, his Plan detailed current City debt and obligations, the current tax levy that covers operational expenses, bond payments, etc. He stated that the tax rate has remained fairly stable, and that the recent annexation will be in effect in 2018.

Due to a rate increase in 2015, the water and sewer fund was able to meet expenses and end the year with a small fund balance. It may be necessary to increase water rates to further stabilize this fund.

The City puts away \$20,000 per year in equipment and construction funds for necessary equipment purchases and street projects.

Debt per capita currently is considered low at approximately \$2,000 per capita and includes the cost of inflation but does not take into account the effects of future projects.

The water treatment plant project will include grants toward the total cost of \$2,500,000.

The necessary wastewater treatment plant repair is estimated to cost \$500,000 at 1.5% interest that will include a new clarifier, which, even if nothing else is done, must be replaced. The paperwork has been sent to the State, which will determine how soon the treatment plant must be upgraded to remain in compliance.

Other potential projects to be analyzed for fundraising:

-Lincoln/Westgate Street repair (\$500,000 – could include funding from DEED. If the Westgate Street repair was not done, it would save \$200,000 but there are two businesses in this area and the streets do need repair.

-City street seal coating (annual);

-Prairie Meadows: Pave one block of Stoddard Street to encourage sales of lots and stub in water to these lots; pave Elm Street to the cul-de-sac (\$218,000);

-Community Center: Building requires increasing maintenance, one being repair of roof and siding (\$75,000 estimate). Bubany advised against putting dollars into repairing this old building but instead, put the \$75,000 toward the demolition and work toward building a new center.

The current levy is \$450,000; to do the projects listed would require at least the levy to be \$569,000 in five years. The Council and Peterson will have to prioritize which projects to undertake, considering the amount of funds available.

Peterson asked the Council for direction as to what projects they want done. The water treatment plant

must be done as per the State, and those plans are already underway pending State funding.

Bubany recommended that any increases necessary be made in small increments each year rather than one larger one. Question was voiced whether the tax levy ever follows the cost of living adjustment; Bubany replied it does not, although stated the idea would have merit.

Water bills: There are different ways to structure the bill; in his written summary to the Council and Peterson, Bubany will include this in his recommendations to consider.

After further discussion, it was suggested to consider:

1. An increase in water and sewer rates in 2018;
2. Repair Westgate Drive until a more permanent fix can be afforded (approximate \$20,000 cost);
3. Pave Elm Street from Ellsworth to the cul-de-sac;
4. Seal coat streets that are on the list in priority order as budgeted;
5. Peterson will check on stubbing in the water for six Stoddard Street lots;
6. Community Center - over \$20,000 per year is spent maintaining and cleaning the building; roof now needs repairs and will leak if not fixed and exterior is decaying. Daily use was discussed and whether other places could be found for them should the Center not be available. Recommendation was made that the Community Center be used until it starts to leak, and then close the building for any further use. Peterson will get a quote for demolishing the structure. A new community center is needed; to fund this, Peterson said there is some interest in forming a community foundation, and some people have expressed interest in helping with the cost to build.

MOTION BY SANDEN, SECONDED BY KRAGE NOT TO SPEND ANY MORE FUNDS ON THE COMMUNITY CENTER, INCLUDING ROOF AND SIDING, CHECK INTO COST TO DEMOLISH THE STRUCTURE, AND WORK TO FORM A COMMUNITY FOUNDATION; MOTION CARRIED UNANIMOUSLY. Peterson will include this in her newsletter and on the City's Facebook page calling for help for the various projects, the Community Center being one.

Mission 66 Playground Project – Leathers & Associates Services: Schutte updated the Council with plans for the Mission 66 Playground Project; the Committee recommends hiring Leathers & Associates for their services in designing and creating a playground and asked for the Council's approval to move forward. The planned Playground by Leathers will incorporate the commemorative 1966 Bus and also be an inclusive, attractive place that will fit well into the Park's natural surroundings, and be aesthetically pleasing to all. The materials used will be a durable composite but resemble wood which will last for many years. Also planned is a gazebo which will provide shelter and be a gathering place for community residents. Leathers will send a design team who will work with the Playground Steering Committee and survey the elementary school children and parents as the initial step in planning the project. MOTION BY SANDEN, SECONDED BY KNUTSON TO AUTHORIZE THE MISSION 66 COMMITTEE TO CONTRACT WITH LEATHERS & ASSOCIATES FOR THE PLAYGROUND PROJECT; MOTION CARRIED UNANIMOUSLY.

Financial Report / Review of Bills: MOTION BY SANDEN, SECONDED BY KRAGE TO APPROVE PAYING THE BILLS; MOTION CARRIED UNANIMOUSLY.

Adjournment: MOTION BY SANDEN, SECONDED BY SCHUTTE TO ADJOURN THE MEETING AT 6:30 PM; MOTION CARRIED UNANIMOUSLY.