

**CITY OF PARK RAPIDS
CITY COUNCIL MEETING
JANUARY 10, 2012, 12:00 NOON
Park Rapids Public Library-Lower Level
Park Rapids, Minnesota**

1. CALL TO ORDER: The January 10th, 2012 Regular Meeting of the Park Rapids City Council was called to order at 12:00 noon by Mayor Nancy Carroll, and everyone present recited the Pledge of Allegiance.

2. ROLL CALL: Present: Mayor Nancy Carroll, Councilmembers Dave Konshok, Patrick Mikesh, Sue Tomte, and Paul Utke. Absent: None. Staff Present: Administrator Bill Smith, Public Works Superintendent Scott Burlingame, Liquor Store Manager Scott Olson, Planner Dan Walker, Treasurer Angela Brumbaugh, Police Chief Terry Eilers, Fire Chief Donn Hoffman, and Clerk Margie Vik. Others Present: Ulteig Engineer Jon Olson, Jane Hastig, Denese Jokela, Joel Smith, Greg Anderson, Rod Nordberg, Matt Carlson, and Anna Erickson from the Enterprise.

3. APPROVAL OF AGENDA: A motion was made by Utke, seconded by Tomte, and unanimously carried to approve the agenda with the following addition:

Consent Agenda: #7.34. Resolution Authorizing Proper City Officials to Execute the Professional Services Agreement, Amendment No. 1, by and between Toltz, King, Duvall, Anderson, and Associates (TKDA) and the City of Park Rapids.

4. PROCLAMATION:

4.1. Proclaiming January 2012 as National Mentoring Month in the City of Park Rapids: Mayor Carroll stated the City of Park Rapids proclaims January 2012 as National Mentoring Month, and call upon the people of the city to recognize the importance of mentoring, to look for opportunities to serve as mentors in their communities, and to observe this month with appropriate activities and programs. **A motion was made by Tomte, seconded by Utke, and unanimously carried to Proclaim January 2012 as National Mentoring Month in the City of Park Rapids.**

5. APPROVAL OF MINUTES:

5.1. City Council Regular Meeting Minutes-December 13, 2011: A motion was made by Mikesh, seconded by Utke, and unanimously carried to approve the December 13th, 2011, City Council Regular Meeting minutes as presented.

6. FINANCE:

6.1. Payables & Prepaids: A motion was made by Konshok, seconded by Mikesh, and unanimously carried to approve the payables in the amount of \$65,109.15, and the prepaids in the amount of \$248,877.53, for a total of \$313,986.68.

7. CONSENT AGENDA: Carroll removed Item #7.2. Utke removed Item #7.1. Brumbaugh removed Item #7.7. **A motion was made by Utke, seconded by Mikesh, and unanimously carried to approve the following consent agenda items:**

- 7.1. *Removed from the consent agenda.*
- 7.2. *Removed from the consent agenda.*
- 7.3. **Resolution #2012-01 Designating Official Newspaper for the Year 2012 for the City of Park Rapids.**
- 7.4. **Resolution #2012-02 Setting Guidelines for the City of Park Rapids Municipal Election in 2012.**
- 7.5. **Resolution #2012-03 Authorizing Proper City Officials to Execute Payment of Claims Prior to City Council Approval for Year 2012.**
- 7.6. **Resolution #2012-04 Designating Official Depositories for the Year 2012 for the City of Park Rapids.**
- 7.7. *Removed from the consent agenda.*
- 7.8. **Resolution #2012-05 Authorizing Proper City Officials to Execute the Paperwork Associated with the Fire Contract for the City of Park Rapids.**
- 7.9. **Approve Plumber's Permits to Work in the City of Park Rapids in 2012 for Northland Plumbing, Guye's Plumbing & Heating Inc, Knapp-Grover Inc, Tim Ulvin Plumbing Inc, Hass Geosystems Inc, Laney's Mechanical, and Samuelson Laney Plumbing, Heating & Cooling.**
- 7.10. **Approve Backhoe Operator's Licenses to Work in the City of Park Rapids in 2012 for LarMac LLC, Qwest Corporation/Century Link, and Dennis & Girtz Excavating.**
- 7.11. **Approve Tree Contractor License to Work in the City of Park Rapids in 2012 for AC Construction Tree Services.**

- 7.12. Resolution #2012-06 Re-Appointing Susan Cutler to Serve on the Parks & Beautification Board for the City of Park Rapids.**
- 7.13. Resolution #2012-07 Re-Appointing Dodie Egge to Serve on the Parks & Beautification Board for the City of Park Rapids.**
- 7.14. Resolution #2012-08 Re-Appointing Paul Dove to Serve on the Park Rapids Arts and Culture Advisory Commission.**
- 7.15. Approve Expenses for the Emergency Repairs to Lift #2 in the Amount of \$16,500.00 from North Dakota Pump.**
- 7.16. Resolution #2012-09 Authorizing Proper City Officials to Execute the Memorandum of Understanding By and Between the City of Park Rapids and the United Food and Commercial Workers Union Local No. 1189.**
- 7.17. Resolution #2011-10 Authorizing Proper City Officials to Execute the Cooperative Purchasing Agreement By and Between the Minnesota Commissioner of Administration-Materials Management Division and the City of Park Rapids.**
- 7.18. Resolution #2012-11 Authorizing Proper City Officials to Execute the Paperwork to Abate a Portion of the Special Assessment for PID #32.26.00129.**
- 7.19. Resolution #2012-12 Approving a New Wine/Strong Beer License for Necce's Italiano Risorante in the City of Park Rapids.**
- 7.20. Approve Salvage Timber Sales Administration Contract, in the Amount of \$520.00 with Stan Grossman d.b.a. Itasca Woodland Services Inc for City Property known as: PID #32.26.02061 (SECT-26 TWP-140 RANGE-035 7.70 AC ST E132 OF W1/2 OF NW1/4 EX HWY R/W /MEMORIAL PARK).**
- 7.21. Approve Contract Agreement with Cummins NPower in the Amount of \$1,899.00 for the Yearly Maintenance of the City's Five (5) Generators.**
- 7.22. Approve Purchase Order in the Amount of \$1,327.87 for the Public Works Department to Purchase Engine Oil from Farstad Oil Service.**
- 7.23. Approve the Worker's Compensation 2012 Rate Increase of 21.86% from the League of Minnesota Cities Insurance Trust for a Total Premium of \$76,296.00.**

- 7.24. **Approve Pay Request in the Amount of \$14,774.00 for Mid-Sota Builders and Burlingame Masonry for Services Associated with the Small Cities Program Grant.**
- 7.25. **Approve Pay Request in the Amount of \$619.24 to the State of Minnesota for Inspection of the Paving for the Main Avenue Project.**
- 7.26. **Approve Pay Request in the Amount of \$14,534.40 to Ulteig Engineers for Professional Services for Various Projects in the City.**
- 7.27. **Approve Pay Request in the Amount of \$15,258.64 to TKDA for Professional Services for the 2011 Airport Terminal Area Improvements.**
- 7.28. **Resolution #2012-13 Acknowledging Employment Status for Full Time Rapids Spirits Liquor Store Clerk Tiffany Swenson.**
- 7.29. **Resolution #2012-14 Approving a Leave of Absence for Full Time Park Rapids Police Officer Mitchell Nelson.**
- 7.30. **Resolution #2012-15 Re-Appointing Eric C. Bervig to Serve on the Urban Forestry Committee.**
- 7.31. **Resolution #2012-16 Permitting the Destruction of Aged Documents as Determined by Adopted Minnesota General Records Retention Schedule.**
- 7.32. **Approve Pay Request in the Amount of \$2,524.00 for Krotzer Construction for Services Associated with the Small Cities Development Program Grant.**
- 7.33. **Approve Insuring the City Volunteers through the League of Minnesota Cities Insurance Trust at a Cost of \$241.00 for the Year 2012.**
- 7.34. **Resolution #2012-17 Authorizing Proper City Officials to Execute the Professional Services Agreement, Amendment No. 1, by and between Toltz, King, Duvall, Anderson, and Associates (TKDA) and the City of Park Rapids.**

END OF CONSENT AGENDA

7.1. Resolution Setting City Council Meetings on the Second and Fourth Tuesday of Each Month in Year 2012: Utke stated I'd like to initiate discussion on

the time of the meetings. I've talked to people about moving to evening meetings and I'd like to discuss it. We moved it to noon for certain reasons so we'd have to address all of those if we're looking at evening meetings again. I'd personally like an evening meeting. Tomte stated it would work better for my schedule.

Konshok stated I like the scheduling on it. How do we handle the overtime. Is overtime actually necessary? Can we do comp time? How does the county and the school board handle it? I don't think overtime is necessarily automatic for either meeting. Utke stated one conversation with Smith regarded using comp time instead of overtime, but if we went to an evening meeting, the morning after, city hall could open at 9:30 a.m. versus 8:00 a.m. Then the comp time is taken right away. I'm open to suggestions.

Smith stated there's pros and cons either way. If you go to an evening meeting we can adjust. Most of the staff members are amenable to taking a couple of hours off that week. Others may find that objectionable and would rather have the overtime. If you keep it at noon, we accrue the benefit of not incurring any overtime and it's a lot more convenient for staff. If you go to the evening we will respond accordingly. It worked well last time. We'll try to deal with minimizing overtime as best we can.

Konshok stated I have had a few comments from citizens. Generally, people comment that daytime meetings are tough for a lot of folks to attend. I don't expect that if we go to evening meetings that we'll fill every chair. It is a factor. Even over the lunch hours it's difficult for a lot of folks. My main concern is accessibility to the public.

Smith stated one idea was to meet at 5:30 p.m. instead of 7:00 p.m. Carroll stated I have a flexible schedule. I've always thought evening meetings work out better for the general public. When we have our mandated Truth in Taxation hearing, we can't have that earlier than 6:00 p.m. That's generally recognized as when the public is better able to attend. 5:30 p.m., 6:00 p.m., or 7:00 p.m. is still up in the air. Konshok stated I'd prefer 7:00 p.m. 6:00 p.m. is my busiest hour of the day with my kids coming and going. Tomte stated I'd say 6:30 p.m., but I'm fine with evening or day right now.

Konshok questioned should we refer this to staff to have more time to talk about it? Smith stated staff in the room can speak up. Carroll questioned Jon Olson if coming over in the evening is an issue. Olson stated Tuesday night is good for me. I have no challenge. Eilers stated I can adjust either way. Evenings are good. It gives me a chance to check on the town. Mikesh stated noon is great for me, but I can go either way. Once it hits 5:00 p.m. I get service calls.

A motion was made by Utke, seconded by Konshok, and unanimously carried to change the Council meetings to 7:00 p.m. by adopting Resolution #2012-18 Setting City Council Meetings on the Second and Fourth Tuesday of Each Month in Year 2012.

7.2. Resolution Appointing Acting Mayor for the Year 2012: Carroll stated Sue Tomte has been the Acting Mayor for several years. Due to her employment she won't be available on a regular basis. Tomte stated if you want someone who will be in town during the day, possibly one of the other members. Konshok stated I'd be fine with it since I wasn't available last year at this time and Rod Nordberg took over for me. **A motion was made by Tomte, seconded by Mikesh, and unanimously carried to appoint Dave Konshok as Acting Mayor with the adoption of Resolution #2012-19 Appointing Acting Mayor for the Year 2012.**

7.7. Resolution Designating Authorized Signatures for the Year 2012 for the City of Park Rapids: Carroll stated the Acting Mayor's name should be changed on this resolution. Brumbaugh stated Beth Bertram's name should be removed as City Auditor and be replaced with Jen Piekarski. **A motion was made by Utke, seconded by Mikesh, and unanimously carried to approve Resolution #2012-20 Designating Authorized Signatures for the Year 2012 for the City of Park Rapids.**

8. COMMENTS FROM CITIZENS: Denese Jokela stated she would be changing the name of her restaurant from Jack Pine Café to Necce's Italiano Ristorante. She questioned how she'd go about changing the sign. Carroll stated she should work with the City Planner Dan Walker. Walker stated she should come into city hall to talk about it.

9. PLANNING:

9.1. First Reading of Ordinance Amending the Park Rapids City Code of Ordinances, Chapter 151 Zoning, Section 151.003 Definitions: Walker stated this is a cleanup item from 2011. We're changing, adding, and deleting some definitions. The main reason for this is it's important to have a zoning ordinance that's clear and defensible in case issues arise. The Planning Commission reviewed and discussed it, and have come up with these definitions and are recommending approval of them.

Tomte stated the use of the two words whole sale is different than the one word wholesale under garden center. It totally changes the meaning. Wholesale should be one word and not two separate words. Since this is the first reading we should clarify that.

A motion was made by Utke, seconded by Konshok, and unanimously carried to acknowledge the First Reading of the Ordinance Amending the Park Rapids City Code of Ordinances, Chapter 151 Zoning, Section 151.003 Definitions, with the change to wholesale as one word in the "garden center" definition.

10. GENERAL BUSINESS:

10.1. Resolution Allowing MSVcTV, an Independent PEG TV Station to Utilize a Public/Education/Government (PEG) Channel on Arvig Communications and to Authorize the City Administrator to Execute all Necessary Documentation Relevant to Said Request: Greg Anderson, from Community TV, stated I operate the public access station out of Menahga. We've been on West Central Cable 24/7 for the past five years. You've had a PEG channel for years and it's never really been used. The main reason PEG channels are not used is because most people have no idea how to use it. As a public access center, we have a studio, tools, and training, everything to help people make programs to put on television and completely facilitate that. Arvig has a channel now and if you want to make a program, you talk to Local Link, send them a disc to Sauk Center, pay a fee, and then you'll get it on TV, provided it meets their guidelines. That's what you have now. We're offering a full public access center. You'll have a place to start, tools, camera, equipment that will help you make a decent program that you can share with the public. We also cover government meetings whenever we can. City Council

meetings are covered gavel to gavel. There is no editing. Those are put on television and also on our website where we carry video on demand. You reach a lot more of the public. If schools have content they want to put on, we'll do that also. It's totally local. We propose to offer that service on Arvig Communications on a PEG channel for the benefit of the community of Park Rapids.

Carroll questioned you have to have Arvig as your cable provider to get that? Anderson answered right. Charter is the other one you have a franchise agreement with. They've changed their business structure. At this point in time, I couldn't find a clear franchise agreement with Charter. You have reams of paperwork with Charter, but nothing to go on as far as establishing a way to provide the channel on Charter. Carroll questioned so this is just about Arvig? Anderson said until I can look at a franchise agreement with Charter, I've got nothing to work with.

Carroll questioned you mentioned there's a fee to provide the programming, for instance, if we recorded Council meetings. Anderson stated Local Link is \$50.00 a month. Joel Smith, the Video Operations Coordinator at Arvig, stated in some cases. We do have a fee attached for church services. We feel it falls outside of the PEG access content. If there's recurring notices about senior lunch menus that changes every day, there's some fees attached to that to cover costs for us to put it on the Local Link channel. But for public or educational content, there is no fee for that. That was recently introduced when we acquired Melrose Telephone. Those were their rules and we adopted them through our system serving this area.

Anderson stated Community TV versus Local Link, we are not a billboard channel. We are a video channel. Our content is 85% pure, public access programming. Programs that folks like you and I have made. We concentrated on those programs that are local and then we reach out and network regionally to programs that are of interest in the area. Then we go from there. We are a pure public access station. We run 24/7 with that, with the exception of some public domain programming like the old Dragnet series or old late night movies for filler.

Smith questioned exactly what are you asking the Council to do? Aren't there procedures in place right now for anyone wishing to put something on the PEG channel that they go to the provider and there are guidelines in place as to what is presented on there? Isn't that available to you now? Anderson stated according to the way it's set up and my talking to Joel Smith, right now I have over 400 hours of purely, local content. I would fill up their schedule. It's a point in the way I perceive it. We have much more content than their systems allows. We would literally flood your system with our channel. Within your franchise agreement it allows for adding a second channel to provide you with your own purely local channel. That's what I'm asking.

Joel Smith stated we did send a copy of our franchise agreement with the city to our attorney along with the resolution Mr. Anderson is proposing to have it reviewed from a legal perspective to understand what our obligations are. There are three items of concern. The first one being the fact that we're obligated to provide the city one PEG channel initially for public education, government type programs. Our interpretation is public programming originally created within the franchise service area. We wanted to make that point. In order for the city to request a second channel from us, there is some benchmarks that have to be met. The biggest one is the existing channel needs to be used 80% of the time over a six week period for PEG-type content. Within the contract, it says, if it's not being used by the city, then Arvig has the right to utilize that for commercial or non-

commercial use to fill the programming time. Currently, we have nowhere near 80% local content for the City of Park Rapids. Depending on how much content he has, we probably can accommodate 400 hours. We're really not fully utilizing what's there so the city can't mandate a second channel at this point.

Joel Smith stated the second item of concern is there's a condition in the proposed ordinance that talks about what we have to provide for playback equipment. The franchise agreement indicates, based on state statute, that we have to provide minimal equipment to playback prerecorded content. Mr. Anderson is asking for necessary equipment in general terms and bandwidth. Our interpretation of that is getting a connection from his studio to the city. That falls outside of the scope of what we feel the contract states.

Joel Smith stated the third item is the fact that state law as it pertains to franchise agreements mandates a level playing field amongst competitive entities within the community, meaning us and Charter Communications, as it pertains to certain elements of the franchise agreements. PEG access is one of those elements. The requirements on us can't be more burdensome as they would be on Charter. If the city wants to pursue this, the same terms must apply to Charter to keep a level playing field. What Mr. Anderson is working on here, we think is a good thing. If we can put local content on Local Link, great. We'd love that. It's engaging for the people in the community. But we think the best place to start with this is to try to utilize what's already in place, and not necessarily create a brand new channel.

Utke question when you use the word local content, for what we see, is that considered Park Rapids? I see Detroit Lakes Council meetings. Is that considered our local content or is that just filler? Smith stated that's filler. If you have enough content created locally, it will take precedence over that. Utke stated so that type of stuff would go away and we'd focus on Park Rapids type content. Smith answered exactly.

Carroll questioned who would have the say about what gets put on. Smith stated currently we manage the channel. Other franchise agreements state the city or school district will manage it. In this agreement we're managing it. There's broad guidelines as to what makes it on the air. We can't have indecency or bad language.

Utke stated in this case the resolution is asking Arvig for another PEG channel. He questioned is there a cost for that? Joel Smith answered yes. Utke questioned is that offset by another vendor, or do you have to accept it as part of doing business? Smith stated yes, we have to accept it as part of doing business. Its part of what we agreed to in the franchise and state statute mandates it. We talked about the technical aspects of this and for us to accommodate a second channel we'd have to re-filter services to homes that receive only our one star service, because we have to open up a new channel. We might have to drop a channel because we don't have a channel space open for this second type channel. The channel that might be dropped might be an analog service, like Home Shopping Network, or it could be a group of digital services. There are some technical elements that have to be evaluated.

Anderson stated there are definitely some logistics that we have to work out with Arvig. We're talking about a level playing field. It's true, but until we can get a hold of the correct people at Charter and get the correct documentation I can't pursue that. Arvig is still primarily an analog system and they are stretched. One way or another we'll have to work it out. If we can work within the perimeters of Arvig's channel now, that's great. You have to understand that Community TV is providing you with your own local television

station and all the facilities that a television station has, versus just a channel to which you mail a disc.

Tomte questioned if you were to help fill up that space is there any decision that is required from the Council? Can you work together until that one channel has met its capacity. Joel Smith stated we think everything is in place to accommodate that. Anderson stated there is logistics. The reason why we're asking at this point, this isn't going to happen overnight anyway, is that we believe we're going to get a lot more benefit from having your own station. Local television is one of the most underused assets that any community has. The median of television is so powerful, that when local groups of people understand it and have the ability to effectively use it, the community benefits in so many ways. That's why we want to see you have a local channel. This is a starting point. It will take some time. It's your determination as to how fast you want to act on this.

Utke stated we get to make the decision, but you guys are the ones working it. Carroll stated it would be very good to have our Council meeting covered as well as the county and school boards. I see it as an advantage to reach the public. We had that discussion about when to have our meetings. When would the public be more likely to attend? They could see it on TV according to their schedules. Anderson stated it would be on demand on the internet. It's incredible in the communities that we do cover now, the attendance for public meeting goes up, because they see it. Then if they really want to get involved, you'll see them at the next Council meeting. The image of the community goes up when you effectively use public access TV. Since we are basically local, why shouldn't you have what the other communities that we provide for have, the exposure and availability. People love watching the sporting events at the schools.

Utke stated you keep referring to local channel. If you guys are working together on the channel we already have what do you consider local? To start with that would accomplish what you're after and if it's used and grows to 90% or 100%, at that point, we'll look at a second channel. Sounds like more than workable. We learn to crawl first before we run. Anderson stated that's feasible. I'm concerned about Arvig's structure. It's looking cost prohibitive. If we have free rein to put our content on there, everything that's local content, that's one thing, but as they have spelled out and what I understand, we have two Park Rapids' church services that are members. They come to us, we help them with the editing. There's two cases that get charged every month to put them on Local Link. For our members we have a membership fee and they're on every Sunday on West Central Cable. We're going to have to work that out with Joel. This is a starting point. I wanted you to have all the information up front and what we're intending on doing to serve the community of Park Rapids.

Carroll stated it was a good suggestion to crawl before you walk. Maybe seeing what's feasible within the current structure. Tomte stated it's not over utilized yet. Carroll stated that will also give you some time to look at Charter so we are keeping everyone on the level playing field. Utke stated I'd like to have you two work together some more. I'd hate to vote on something that forces Arvig to incur more expense until we see how it's going to go.

Anderson stated at some point this is going to happen depending on how things flow through. There is expense for Community TV as well as Arvig. We are using the latest state of the art technology. It's not like the old days when you had to spend thousands. The other issues are with bandwidth as Arvig expands. Rural telecoms have a tough time everywhere trying to keep up and transitioning to full broadband capabilities. Down the

road Arvig will hopefully have the capabilities. Whether you make a decision now, or six month down the road, we'll see how things are going to change. The information is there and we'll take it one step at a time. Finding the franchise agreement would be great. Smith stated Charter has changed their structure so many times in the past few years. We have a file and we'll go through it. We spoke with one of their representatives by phone. He's going to try to see what he can find for us too. Carroll thanked everyone for the input. We're thinking you can work within the existing guidelines for a while.

A motion was made by Utke, seconded by Mikesh, and unanimously carried to deny the Resolution Allowing MSVcTV, an Independent PEG TV Station to Utilize a Public/Education/Government (PEG) Channel on Arvig Communications and to Authorize the City Administrator to Execute all Necessary Documentation Relevant to Said Request.

10.2. Annexation Resolution of the City of Park Rapids in Accordance with the Above-Referenced Joint Agreement between the City of Park Rapids and Henrietta Township, Dated 07-27-06, and as Amended 06/14/07 and 08/23/11, Designating Certain Property, the Amended Phase III Area, Located in the Orderly Annexation Area (OAA) of Henrietta Township, as in Need of Immediate Orderly Annexation Pursuant to Minnesota Statutes, Section 414.0325:

Smith stated 2012 is the scheduled timeframe for the annexation of phase 3 of the orderly annexation agreement. This resolution kicks off the official steps to go forward. The resolution will go down to St. Paul and they will bless it, then the property will be considered annexed. The process will take six weeks at the most. Utke questioned does this take into account the properties that we delayed annexation for? Konshok answered yes. The new map is attached. **A motion was made by Konshok, seconded by Tomte, and unanimously carried to approve Resolution #2012-21 Annexation Resolution of the City of Park Rapids in Accordance with the Above-Referenced Joint Agreement between the City of Park Rapids and Henrietta Township, Dated 07-27-06, and as Amended 06/14/07 and 08/23/11, Designating Certain Property, the Amended Phase III Area, Located in the Orderly Annexation Area (OAA) of Henrietta Township, as in Need of Immediate Orderly Annexation Pursuant to Minnesota Statutes, Section 414.0325.**

10.3. Resolution Receiving the Engineering Report and Calling for Public Hearing for the Green Acres Addition Utility and Street Project:

Jon Olson stated this is for the Green Acres Addition and for the extension of watermain looping connection on the east side of County Road 6. That is in close proximity to the Green Acres Project. This project has been discussed for this area on numerous occasions. Our office has formally reviewed it five times in the past thirty years, the first time being in 1978. The one thing that was consistent on all of the reports was two options for extending utilities to this development. The first is the standard approach by installing the utilities in the existing street right of way. The right of way is available so there's no need for additional easements, and there would be minimal tree loss. The downfall is that it does require complete street reconstruction. The second option that was reviewed, and is not included in the report, is the option to extend the utilities down the back property lines. This option was presented originally given the location of the existing septic systems. The majority of the septic systems are in the rear of the homes, therefore making the service connection easier for the property owners. The downfall is needing an estimated thirty-four

easements and the extensive tree loss. This area has mature pine trees right down the back property lines. In 2000, those two options were presented to the public at two formal public meetings. At those meetings it was evident that losing those trees was a very big concern. It would change the look of the area. At that time the city decided it was most feasible to go down within the street right of way and install the utilities in the traditional manner.

Carroll questioned does that mean there would be a new service connection to each home in the front instead of the back? Olson stated the plumbing would be very home specific as to how they make their connection. Some would be very straight forward and others would be more challenging. We talked to a few plumbers as to how they would prefer to do it and most of them indicated that if it's an unfinished basement it's fairly straight forward to re-plumb and go out the front. If things are finished their preferred method would be to excavate around the house and go out to the front of the home. Certainly a little more challenging approach for the property owner. Burlingame stated the reality is typically the septic is in the back of the house and the wells are in the front. So it's a horse a piece. One or the other is going to have to be re-done. Olson stated this is going to require some work on the property owner's side. A lot of the properties have sand points, and those may be inside the house itself. This has been interesting going back on the historical data of this project.

Olson stated in 2002 the first phase of the project was implemented. Northwoods Bank and the northwest portion of Green Acres Addition requested services. The rest of the addition wasn't ready for extension, therefore a short project was implemented to the bank. A lift station was installed at the intersection of Discovery Circle and County Road 6. That station was set and designed for the entire Green Acres Addition as well as water and sewer extensions just past the fork of Discovery Circle. Those utilities were installed with the thought of extending within the right of way.

Olson stated given the challenges with obtaining easements and the costs involved to get them, the tree loss, those things haven't changed. Also the accessibility of future maintenance for the staff. For those reasons we are recommending that the determination within the street right of way in 2000 continue today and that's the route we should pursue. We'd be installing six inch watermains around the entire loop of Discovery Circle. A one inch copper service would extend to each property line. From the property line to the home would be the property owner's responsibility. For sanitary sewer, we would be extending an eight inch main in the right of way and extending four inch PVC services to the properties. Street restoration would be required. We're proposing the existing street be resurfaced to bituminous and reconstructed. This report assumes a rural section. This is a water and sewer extension project so I did not include an urban section alternative. That is an option available if the Council would like to look at that. The estimated cost within this project would include a rural section road. Standard permits would apply, an MPCA permit for both the sanitary sewer and the storm water, a Minnesota Health permit for the watermain, and a "Hubbard County Utility Work Within a County Highway Right of Way" permit. One easement would be required through Lot One of Block Three in the Green Acres Addition. The existing utilities were stubbed off in a location close to County Road 6. In order to continue that extension for three parcels that are un-served we need a small easement around the corner of that parcel. We would verify that once we get to the design phase.

Olson stated the estimated cost for the project is \$917,500.00. The majority of those costs would be assessable as per the city's policy. Water, sanitary sewer, and their services are all 100% assessable. The street is a shared expense. Per the policy its 40% city share, 60% assessable. City share on this project is \$162,800.00. The assessable share is \$754,700.00. With an estimated assessment for these proposed improvements at \$16,300.00 per lot. There is a \$564.47 deferred assessment on the sanitary sewer lift station to each of these parcels. The total estimated assessment is \$16,900.00 including the deferred assessment.

Olson stated the tentative schedule includes presenting the preliminary engineering report today. We discussed holding the public hearing at the next meeting in January. As we got into the report and looked at the background, the recommended alternatives, we've determined the easements required are far less than what we thought. To help out with notices, we are pushing that back to the first meeting in February. That should give plenty of time for the design and get an early bid date for a reasonable construction start.

Carroll questioned are there other properties in addition to the ones in Green Acres subject to this deferred assessment. Olson stated I would have to look into that closer. My guess is this will take care of it. I would have to look at what's extended up on Highway 34.

Olson stated Section B is the watermain looping on County Road 6. This improvement is being discussed as a result of the natural resource known as Fish Hook River. The river acts as a barrier within your city to the municipal water distribution system. It limits our ability to properly network the system to make a lot of interconnections and looping within your water system wherever possible. The reasons for that are improved fire flows within the system, redundancy, it's good to have it back fed in one area that's fed from another area. A big one is improved water quality. The circulation of the water within the system is far better than if you have dead ends in your system. Currently, we have two crossings over the river, across Highway 34 and County Road 15. Highway 34 primarily feeds the majority of the eastside residents. County 15 is fairly limited in its service area. It's a twelve inch main that really only services the properties close to the county road itself. We're missing a connection to get that flow, a consistent circulation of water to the eastside system. Both County Road 15 and 6 mains were designed to have an interconnection, a loop, along County Road 6. That is what we are recommending under this project. It's approximately 2,600 feet of six inch watermain. It would properly network the eastside. The users would benefit from this improvement. The improvements would be entirely within the county road right of way, so there would be no street reconstruction costs.

Olson stated the estimated cost for this would be \$307,000.00. Per the city's assessment policy, these are looping costs, and therefore are city expenses. Given the relatively small scale of this improvement, we would propose that it be included in another contract. Given the proximity of the Green Acres Project, it seems to be a good fit to put these two together, so they would follow the same scheduling.

Konshok questioned will easements be required? Olson stated there shouldn't be. That's something that we'll verify in the design phase after a typo survey. We're anticipating that no easement will be required. I did talk to the county highway department and they saw no challenges with this improvement.

Carroll questioned if there was a surplus in the water department fund. Brumbaugh stated you could take it out of the water fund reserves if that's the way you want to pay for it, or even part of it. Carroll stated it is a lot of money and I see how we need it so whatever

we have to fund it, and if it's not purely property tax, that would be great. Konshok stated it's not going to get easier or cheaper. Carroll stated this is the best time to piggyback it on the other project. Olson stated that has been our thoughts over the past few years. This is an appropriate fit.

A motion was made by Mikesh, seconded by Konshok, and unanimously carried to approve Resolution #2012-22 Receiving the Engineering Report and Calling for Public Hearing for the Green Acres Addition Utility and Street Project.

10.4. Request to Reduce 2011 Fourth Quarter Water/Sewer Billing:

A. Glass Doctor at 810 First Street East: Smith stated the owner of the Glass Doctor claims the leak in their water system didn't go into the sewer system. They're asking that the sewer portion of the bill be forgiven. Jane Hastig stated we had hoped to occupy the building at least once a week, but that has not happened. We're probably there at least once a month so we didn't notice it when it burst. All the water ran out under the garage door. None of it went into the sewer. Mikesh questioned if there was a floor drain. Hastig answered no. It all went out under the garage door. Burlingame stated staff is recommending that we credit them for the excess sewer charges. **A motion was made by Tomte, seconded by Utke, and unanimously carried to approve a credit of \$446.31 in excess sewer charges for the Glass Doctor at 810 First Street East, as per staff's recommendation.**

B. Brandon Nisius at 504 Court Avenue: Smith stated this is the same situation. Carroll stated staff is recommending a credit of \$406.42, after a calculation of his average usage. **A motion was made by Konshok, seconded by Tomte, and unanimously carried to approve a credit of \$406.42 in excess sewer charges for Brandon Nisius at 504 Court Avenue, as per staff's recommendation.**

10.5. Resolution Appointing Councilmembers to Various City Committee, Boards, and Commissions: The Council appointed it's members to the following positions: Airport Commission: Konshok, Arts & Culture: Carroll, Downtown Task Force was eliminated, EDA is the full Council, Finance: Carroll and Konshok, Fire Relief: Konshok and Smith, Grievance Panel: Carroll and Mikesh, Heartland Transit: Tomte, HRA: Tomte, Hubbard County Emergency Management Board: Mikesh, HCREDC: Carroll and Utke, Library: Tomte, Parks: Konshok, Personnel: Mikesh and Utke, Planning: Utke, Urban Forestry: Mikesh, Wellhead Protection: Mikesh. **A motion was made by Utke, seconded by Mikesh, and unanimously carried to approve Resolution #2012-23 Appointing Councilmembers to Various City Committee, Boards, and Commissions.**

10.6. Black Swan EDA Loan Modification: Smith stated the Black Swan Management has requested that we drop from the loan requirements a lien position on their patents. In talking with Headwaters Regional and the bank, we're not giving up much. They say it's really hard to collect on a patent lien if we get into that situation. They both recommended that the city could give that up without giving up that much. **A motion was made by Tomte, seconded by Konshok, and unanimously carried to authorize the elimination of the lien requirement of Black Swan's patents as a condition of the**

loan, as recommended by Tiffany Fettig from Headwaters Regional Development Commission.

11. CITY ADMINISTRATOR UPDATE: Smith stated next Tuesday on January 17th at 2:30 p.m. we're scheduled to join Brian Halbasch at the Law Enforcement Center to walk through their Emergency Operations Center. Anyone that wants to join us is welcome. Our part time Administrative Assistant Lyn Snyder has completed her work for the city. The need for the extra help has passed.

12. DEPARTMENT HEAD UPDATES: Eilers stated one of his officer has left for Afghanistan and one is out on medical leave because of a torn shoulder. I will be requesting hiring a couple of part time people to fill in for them.

13. MINUTES/REPORTS/INFORMATION: There were no comments.

14. COMMENTS FROM COUNCIL: Konshok stated the Park Board has tentatively scheduled a ribbon cutting for the community ice rink on Friday, February 17th at 1:00 p.m. That's the start of a four day weekend for the kids so we hope we'll have them out there. The ice rink is being used fairly consistently and has been well received. That has been a largely volunteer effort to get that up and running. I hope all the Council members can attend.

15. ADJOURNMENT: A motion was made by Mikesh, seconded by Utke, and unanimously carried to adjourn the meeting at 1:26 p.m.

[seal]

Mayor Nancy J. Carroll

ATTEST:

Margie M. Vik
City Clerk