

OFFICIAL CITY COUNCIL PROCEEDINGS
REGULAR SESSION
JANUARY 3, 2011

A regular session of the Granite Falls City Council was called to order by Mayor David Smiglewski at 7:30 p.m., Monday, January 3rd, in the Council Chambers of City Hall. Council Members present: DuWayne Galow, Steve Nordaune, Steve Schaub, Joe Fagnano and Scott Peterson. Council Member absent: Bill Miller. Staff present: City Manager Bill Lavin, Finance Director Jennifer Ortloff and City Clerk Joan Taylor. Others in attendance were Tom Cherveney, Tracey Olson and members of the Granite Falls Energy LLC Board and Advocate Tribune News Editor Scott Tedrick.

MINUTES: M/S NORDAUNE/SCHAUB TO APPROVE THE MINUTES OF THE DECEMBER 20th REGULAR MEETING. Motion carried unanimously by those present.

BILLS: M/S NORDAUNE/GALOW TO APPROVE BILLS PRESENTED FOR PAYMENT. Motion carried unanimously by those present.

REPORTS: The following reports were acknowledged at this time Building Inspector, Hospital Board, Utilities Commission and Public Works.

APPOINTMENTS: Following a vote M/S SCHAUB/NORDAUNE TO APPOINT CARRIE SPEH TO THE LIBRARY BOARD, PEGGY HEGLAND TO THE PARK BOARD AND GEORGE GERLACH TO THE AIRPORT COMMISSION. Motion carried unanimously by those present.

CITY ENGINEER: M/S GALOW/PETERSON TO RE-APPOINT RODEBERG & BERRYMAN AS THE CITY'S ENGINEERS FOR CALENDAR YEAR 2011. Motion carried unanimously by those present.

AIRPORT ENGINEER: M/S NORDAUNE/SCHAUB TO RE-APPOINT BOLTON & MENK AS THE CITY'S AIRPORT ENGINEERS FOR CALENDAR YEAR 2011. Motion carried unanimously by those present.

ELECTRICAL ENGINEER: M/S NORDAUNE/FAGNANO TO RE-APPOINT HDR ENGINEERING, INC. AS THE CITY'S ELECTRICAL ENGINEERS FOR CALENDAR YEAR 2011. Motion carried unanimously by those present.

CITY ATTORNEY: Fagnano introduced the following resolution and moved its adoption to enter into an agreement with Holmstrom & Kvam as the city attorneys for calendar year 2011.

RESOLUTION NO. 11-01

RESOLUTION ENTERING INTO EMPLOYMENT AGREEMENT
WITH CITY ATTORNEY FOR CALENDAR YEAR 2011

WHEREAS, an Employment Agreement has been reached that is acceptable with the City Attorney and the City Council,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, approving an employment Agreement with Gregory L. Holmstrom and Spencer H. Kvam, as City Attorney and Assistant City Attorney, effective January 1, 2011.

Adopted by the City Council this 3rd day of January, 2011.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Schaub, the resolution was adopted unanimously by those present.

AIRPORT ZONING: Following discussion and upon the recommendation of the Airport Commission, Schaub introduced a resolution and moved its adoption approving an addendum to the contract with Bolton & Menk to conduct an additional meeting with the Airport Zoning Board intended to provide more specific information as to the airport's responsibilities to complete the zoning process and to address issues as to the need to maintain compatible land uses within the area, at an additional cost of \$3,000.

RESOLUTION NO. 11-02

RESOLUTION APPROVING ADDENDUM TO ENGINEERING CONTRACT – AIRPORT ZONING

WHEREAS, pursuant to Resolution No. 09-82 council accepted a proposal from Bolton & Menk for professional services to update the airport zoning ordinance; and

WHEREAS Bolton & Menk has submitted a proposal amending the professional services contract to conduct an additional meeting with the Airport Zoning Board intended to provide more specific information as to the airport's responsibilities to complete the zoning process and to address issues as to the need to maintain compatible land uses within the area, at an additional cost of \$3,000; and

WHEREAS, the Airport Commission is recommending council approve the addendum to the engineering contract relative to airport zoning.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, approving the addendum as submitted by the city's airport engineers in the amount of \$3,000 to conduct the additional meeting with the Airport Zoning Board.

Adopted by the City Council this 3rd day of January, 2011.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Nordaune, the resolution was adopted unanimously by those present.

WWTP: In order to comply with Minnesota Pollution Control Agency's requirement to submit a plan to eliminate bypassing of wastewater at the Wastewater Treatment Plant, Nordaune introduced the following resolution and moved its adoption accepting a proposal received from Bonestroo in an amount of \$39,000 to complete a Wastewater Treatment Facilities Plan which will include an Infiltration and Inflow Reduction Study.

RESOLUTION NO. 11-03

RESOLUTION ACCEPTING PROPOSAL OF
BONESTROO – WASTEWATER TREATMENT FACILITIES PLAN

WHEREAS, MPCA has required that the city develop and submit a Bypass Elimination Plan which includes addressing issues regarding infiltration and inflow; and

WHEREAS, Bonestroo has submitted a proposal in an amount of \$39,000 to complete a Wastewater Treatment Facilities Plan which will include an Infiltration and Inflow Reduction Study.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, accepting the proposal of Bonestroo in an amount not to exceed \$39,000 to complete and submit to MPCA a Wastewater Treatment Facilities Plan.

Adopted by the City Council this 3rd day of January, 2011.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Galow, the resolution was adopted unanimously by those present.

LGA: Nordaune introduced the following resolution and moved its adoption in support of Local Government Aid.

RESOLUTION NO. 11-4

RESOLUTION IN SUPPORT OF LOCAL GOVERNMENT AID

WHEREAS, LGA is a state funded property tax relief program that helps reduce the property tax burden on homeowners and businesses in the City of Granite Falls; and

WHEREAS, higher property taxes and lower services will make Granite Falls even less competitive in jobs and economic growth compared to suburban cities and cities in other states; and

WHEREAS, LGA has already been cut over \$1 billion statewide since 2003, causing city property taxes to rise by 59% and disproportionately hurting cities in greater Minnesota, and

WHEREAS, without LGA property taxes would have to be increased by 30% or city services would have to be cut even more in Granite Falls and

WHEREAS, City of Granite Falls has already reduced its workforce by the elimination of one police officer position and elimination of the airport manager's position. The city has also reduced services by reducing mosquito control, eliminating transfers to the Dutch Elm Fund, reducing schooling and travel for all employees, office supplies, professional services for parks and cemetery, reduction of book and subscription budget for the library, and reduction of other professional services; and

WHEREAS, Granite Falls will be several months into its budget year before the Legislature acts on the state budget,

NOW, THEREFORE, BE IT RESOLVED THAT the City of Granite Falls urges the Legislature to keep its promise and pay the city the \$848,259 of LGA already certified to the City of Granite Falls for 2011.

BE IT FURTHER RESOLVED THAT the Legislature maintain funding for LGA at its current funding level for 2011 and 2012.

BE IT FURTHER RESOLVED THAT, upon passage, this resolution be forwarded to the State Chamber of Commerce, the Governor, the Speaker of the House, the Senate Majority Leader, and to members of the State Legislature representing the City of Granite Falls.

Adopted by the City Council this 3rd day of January, 2011.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Schaub, the resolution was adopted unanimously by those present.

GRANITE FALLS ENERGY: Tracey Olson, CEO/General Manager for Granite Falls Energy LLC was in attendance along with members of the Granite Falls Energy board to discuss with council the effects that removal of the Minnesota Falls Dam will have on Granite Falls Energy. Granite Falls Energy was also requesting city support for its expansion project which would increase production from 49.9 million gallons per year to 70 million gallons per year of undenatured ethanol.

Following discussion M/S NORDAUNE/SCHAUB TO SEND A LETTER OF SUPPORT ON BEHALF OF THE CITY TO XCEL ENERGY AND THE DNR REQUESTING THE MINNESOTA FALLS DAM REMAIN IN PLACE OR THAT THE WATER LEVEL BE KEPT AS IT NOW EXISTS. Motion carried unanimously by those present.

Also M/S NORDAUNE/GALOW TO SEND A LETTER OF SUPPORT FOR THE EXPANSION PROJECT PROPOSED BY GRANITE FALLS ENERGY, LLC. Motion carried unanimously by those present.

ORDINANCE: M/S MILLER/NORDAUNE TO HAVE THE SECOND READING OF AN ORDINANCE OF THE CITY OF GRANITE FALLS, MINNESOTA, AMENDING CITY CODE CHAPTER 5.

ORDINANCE NO. 156, 2ND SERIES

AN ORDINANCE OF THE CITY OF GRANITE FALLS, MINNESOTA, AMENDING CITY CODE CHAPTER 5 ENTITLED, "ALCOHOLIC BEVERAGES LICENSING AND REGULATION", SECTION 5.60, ON-SALE WINE LICENSE REQUIRED, AND ADOPTING BY REFERENCE CITY CODE CHAPTER 1 AND SECTION 5.99, WHICH, AMONG OTHER THINGS, CONTAIN PENALTY PROVISIONS

The City of Granite Falls does ordain as follows:

Section 1. Section 5.60 - On-Sale License Required is hereby amended to read as follows:

Section 5.60. On-Sale License Required. It is unlawful for any person, directly or indirectly, on any pretense or by any device, to sell, barter, keep for sale or otherwise dispose of wine on-sale, as part of a commercial transaction, without a license therefore from the City. On-sale wine licenses shall be issued with the approval of the Commissioner of Public Safety to theaters, restaurants that have facilities for seating at least 25 guests at one time and meeting the criteria of Minnesota Statutes §340A.404, Subd. 5, as it may be amended from time to time, and which meet the definition of restaurant in Section 3; to licensed bed and breakfast facilities which meet the criteria of Minnesota Statutes §340A.401, Subd. 1, as it may be amended from time to time, and as otherwise provided in this City Code; and to theaters, if not otherwise precluded herein, that meet the criteria of Minnesota Statutes §340A.404(B) as it may be amended from time to time. The fee for an on-sale wine license shall be established by the council from time to time, but shall not exceed one-half of the license fee charged for an on-sale intoxicating liquor license. The holder of an on-sale wine license who also holds an on-sale 3.2 permit malt liquor license is authorized to sell malt liquor with a content over 3.2% (strong beer) without an additional license. This section shall not apply to 1) sales by manufacturers to wholesalers duly licensed as such by the Commissioner, 2) sales by wholesalers to persons holding on-sale or off-sale liquor licenses from the City, 3) sales by wholesalers to persons holding on-sale wine licenses from the City, or 4) sales by on-sale liquor licensees on days and during hours when on-sale liquor sales are permitted.

Section 2. City Code Chapter 1 entitled "General Provisions and Definitions Applicable to the Entire City Code, including Penalty for Violation" and Section 5.99 entitled "Violation, a Misdemeanor" are hereby adopted in their entirety by reference as though repeated verbatim herein.

This ordinance to become effective from and after its passage and publication according to law.

Adopted by the City Council of the City of Granite Falls, Minnesota, this 3rd day of January 2011, by a unanimous vote of the Council of those present.

ATTEST:

Joan M. Taylor, City Clerk

David Smiglewski, Mayor

This Ordinance published in the *Granite Falls Advocate Tribune* on the 5th day of January 2011.

Motion carried unanimously by those present. The ordinance will be in effect following publication in the Advocate Tribune.

ORDINANCE: Following discussion, M/S NORDAUNE/SCHAUB TO HAVE THE FIRST READING OF AN ORDINANCE AMENDING CITY CODE CHAPTER 6 ENTITLED, "OTHER BUSINESS REGULATIONS AND LICENSING", BY AMENDING CERTAIN PROVISIONS CONTAINED WITHIN ORDINANCE 6.35, ENTITLED "TOBACCO", SUCH AMENDMENTS PROVIDING NEW DEFINITIONS OF "TOBACCO PRODUCTS" PROHIBITING THE SELLING OF TOBACCO PRODUCTS AND RELATED ITEMS IN OPEN OR SELF-SERVICE DISPLAYS, RESTRICTING YOUTH ACCESS TO SUCH PRODUCTS AND PROVIDING OTHER PROVISIONS AS REQUIRED BY THE TOBACCO MODERNIZATION AND COMPLIANCE ACT OF 2010. Motion carried unanimously by those present.

FORESTRY GRANT: Council was advised that the city's application for a Minnesota Community Forest Bonding Grant has been approved.

FLOOD MITIGATION TASK FORCE: Staff advised council that the next meeting of the Flood Mitigation Task Force is scheduled for Friday, January 7th at 11:30 a.m.

DISEASED ELM TREE REMOVAL PROGRAM: Council reviewed the year-end forestry report. As noted in the report 17 trees were removed during the 2010 season.

INSURANCE WAIVER: M/S NORDAUNE/SCHAUB TO NOT WAIVE THE MONETARY LIMITS ON MUNICIPAL TORT LIABILITY ESTABLISHED BY MINNESOTA STATUTES 466.04. Motion carried unanimously by those present.

PERSONNEL: The first negotiating session with the police union will be held Thursday, January 6th.

ADJOURN: M/S/P NORDAUNE/PTERSON TO ADJOURN at 8:26 p.m.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

BILLS PAID:

CITIZEN'S STATE BANK	NSF R. ANDERSON	361.16
DANA F. COLE & CO LLP	FLEX	1,476.66
EFTPS	FED WHOLDING TAX	44,692.65

EROSION & STORMWATER	REG FINKEN/KROGSTAD CONF	140.00
HEARTLAND PAYMENT SYSTEMS	AIRPORT CC FEE/REIMB	154.94
HOLMSTROM & KVAM	BUYOUT MILLER FLOOD	91,255.25
KOTEK/NICOLLE	KCC YOGA CLASSES	160.00
MERCURY PAYMENT SYSTEMS	CREDIT CARD FEES	1,010.44
MN DEPT OF REVENUE	SALES/USE TAX	27,547.45
NATIONAL PROCESSING CO	KCC CREDIT CARD FEE	57.43
OFFICE OF THE SECRETARY	NOTARY FEE K. BALFANY	120.00
PERA	PERA	26,871.75
POSTMASTER	UTILITY BILLINGS	927.88
PROCELLULAR	PD CELL PHONES-4	339.17
SIOUX VALLEY WIRELESS	EMAIL HOSTINGS	21.32
TREVINO/CLAUDIA	ZUMBA CLASSES	60.00
VANCO SERVICES	PROGRAM FEES	29.75
YELLOW MEDICINE CO. AUDITOR	BALFANY REG NOTARY	20.00

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Final Totals... 195,245.85

A & B BUSINESS	*FY*KCC COPIER COUNT	313.14
AFFILIATED MED CENTER	*FY* TRANSIT	196.10
AMERICAN WATER WORKS ASS'N	2011 DUES	310.00
ARNESON DISTRIBUTING INC.	BEER	241.00
ARTIC GLACIER INC	ICE	52.84
BAKER & TAYLOR BOOKS	*FY*BOOKS	76.06
BELLBOY CORPORATION	WINE	622.00
BENSON LAUNDRY	*FY* RUGS CITYHALL	54.79
BERNDT/TAMMY	DEPOSIT REFUND	103.38
BEST BUSINESS PRODUCTS	*FY*BIZHUB	55.49
BROERS/LARRY	DEPOSIT REFUND	112.82
CENTURYLINK	*FY*KCC PHONE	186.42
CHAMBER OF COMMERCE	2011 MEMBERSHIP	6,800.00
CHAVARRIA/MAUEL	DEPOSIT REFUND	103.76
CNH CAPITAL	*FY*COVER	121.98
COALITION OF GREATER MN CITIES	2011 DUES	5,527.00
COOKE CO./J.P.	2011 DOG/CAT TAGS PURPLE	49.61
COTTONWOOD COOP OIL CO	FUEL	4,635.24
DAN'S SHOP INC	*FY*FILTERS	6.43
ECONOMART	*FY*WWTP MISC	35.06
EIYNK/LAURA	DEPOSIT REFUND	55.06
ELLEFSON/JOSH	DEPOSIT REFUND	56.61
G & K SERVICES	*FY* KCC RUGS	201.90
GALE	*FY* BOOKS	41.15
GRANITE FALLS/CITY OF	PD PRINC LOAN	705.33
GRANITE FLUID POWER INC	*FY*SEAL #27	31.00
GRAYBAR ELECTRIC CO., INC.	*FY*KCC LAMPS	340.85
GREATER MN APPRAISAL CO, INC.	*FY*FLOOD 1273 4TH ST	1,050.00
HACH COMPANY	*FY* WWTP SUPPLIES	42.86
HALDEMAN-HOMME INC	*FY*KCC MAT CLEANER	194.51
HAWKINS INC	*FY*KCC CHEMICALS	632.26
HEIMAN FIRE EQUIPMENT	*FY*DNR GRANT	2,900.00
HOERNEMANN/PAUL	CABLE SERVICE	255.00
HOLMSTROM & KVAM	*FY*FLOOD 2010	292.00
I C M A	2011 B.LAVIN DUES	739.43
JOHNSON BROS WHOLESALE LIQUOR	LIQUOR/WINE	8,813.88
K M FIRE PUMP SPECIALISTS	*FY*FD TRUCK MAINT	5,695.34
KRANITZ/FRANK	WORK @ SENIOR CITZ	325.00
LEMCKE/GLENNY	DEPOSIT REFUND	51.66
LIGHT FUND	*FY* UTILITIES	25,594.16
LOCHER BROTHERS	BEER	4,626.22
MADISON BOTTLING CO.	BEER	8,224.45
MASSMAN/SHENANDOAH	DEPOSIT REFUND	53.25
MCPA-MN CRIME WATCH	R.BLUE MEMBERSHIP	45.00
MINNESOTA LIFE	RETIREE'S LIFE INS	3.30
MITLYNG ELECTRIC & REFRIG.	*FY*DALLAS WORK	864.03
MN CHIEFS OF POLICE	2011 DUES R.BLUE	180.00
MN DEPUTY REGISTRARS ASSN	2011 MV MEMBERSHIP	173.00
MN HOMELAND SECURITY &	*FY*FEMA DE-OBLIGATION	5,875.21
MN MUNICIPAL UTILITIES ASSN	1ST QTR SAFETY	3,987.30
MN NCPERS LIFE INS	PERA LIFE	80.00
MN VALLEY TESTING LAB, INC.	*FY*WWTP TESTING	278.00
MN WEST	PD TRAINING SLOTS 2011	325.00

NORTH CENTRAL LABORATORIES	*FY*WWTP TESTING	36.35
OFFICE DEPOT	*FY*JOAN TONER	158.20
OFFICE PEEPS	*FY*FOLDERS	43.32
PHILLIPS WINE & SPIRITS CO.	LIQUOR/WINE	4,441.91
PHINNEY/MELISSA	DEPOSIT REFUND	51.58
POLITICS IN MINNESOTA	POLITICS IN MN	100.00
R.C. PETERSON ELECTRIC INC	*FY*KCC BALLAST WORK	100.00
RECREATION SUPPLY COMPANY	*FY*BASKET	27.03
RODEBERG & BERRYMAN, INC.	*FY*SEWER IMPRV	14,614.25
RYER PLUMBING & HEATING	*FY*HEAT @ FIRE DEPT	175.00
SAND/KRIS	BLDG MAINT	375.00
SCHOEP CONTRACTING LLC	*FY* DIKE ROAD FLOOD	36,917.58
SENTRY SYSTEMS INC	1ST QTR 2011	88.81
STEFFEN/KERRY	*FY*REBATE	50.00
STRAND BOOK STORE	*FY* BOOKS	26.00
STRATMOEN/HAZEL	DEPOSIT REFUND	52.06
SW-WC SERVICE COOPERATIVES	GRP HEALTH INSURANCE	28,414.00
UPS	*FY*SHIPPING REZ	11.95
VIKING COCA-COLA BOTTLING CO.	SODA	145.45
WALLER/JON	DEPOSIT REFUND	113.22
WATER CONSERVATION SERVICE INC	*FY* SURVEYED TOWN	2,505.00
WBM WINE & SPIRITS	LIQUOR/WINE/MISC	7,641.33
WENINGER/STEVEN	DEPOSIT REFUND	104.02
WILLIE'S KORNER STORE	*FY*BAGS RBS	64.04
ZIEGLER, INC.	MAINT AGREEMENT	16,584.00
2XL CORPORATION	*FY*GYM WIPE KCC	119.30

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Final Totals... 205,295.28