

OFFICIAL CITY COUNCIL PROCEEDINGS
REGULAR SESSION
MARCH 3, 2014

A regular session of the Granite Falls City Council was called to order by Mayor David Smiglewski at 7:30 p.m., Monday, March 3rd, in the Council Chambers of City Hall. Council Members present: DuWayne Galow, Sarina Otaibi, Steve Schaub, Joe Fagnano and Scott Peterson. Council Member absent: Steve Nordaune. Staff present: City Manager Bill Lavin, Finance Director Michael Betker and City Clerk Joan Taylor. Also in attendance were EDA Director Dennis VanHoof and Steve Daniels from Specialty Systems.

MINUTES: M/S SCHAUB/GALOW TO APPROVE THE MINUTES OF THE FEBRUARY 18TH REGULAR MEETING. Motion carried unanimously by those present.

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

REPORTS: The following reports were acknowledged at this time Building Inspector, Kilowatt Community Center Board, Park Board and Public Works.

SPECIALTY SYSTEMS: Steve Daniels from Specialty Systems discussed with council the company's need to purchase additional equipment to assist in completing some major production contracts and the future expansion plans for Specialty Systems. Following discussion Fagnano introduced a resolution and moved its adoption authorizing an interfund loan from Fund 804 Flood Mitigation Funds in the amount of \$100,000 and Fund 616 Community Housing in the amount of \$100,000 to the 811 Revolving Loan Fund to be used as a future loan to Specialty Systems contingent upon completion of an application and all documentation required by the EDA.

RESOLUTION NO. 14-31

RESOLUTION APPROVING INTERFUND LOAN FROM FUND 804 AND 616
TO THE 811 REVOLVING LOAN FUND

WHEREAS, the EDA Board has been working with Specialty Systems regarding the need to purchase additional equipment to assist in completing some major production contracts; and

WHEREAS, part of a financing package to assist Specialty Systems in purchasing additional production equipment will involve consideration of a loan from the 811 Revolving Loan Fund; and

WHEREAS, there are insufficient funds at this time in the 811 Revolving Loan Fund to consider a loan; and

WHEREAS, the EDA Board is requesting that council consider an interfund loan to the 811 Revolving Loan Fund of up to \$200,000; and

WHEREAS, it is recommended that these funds come from Fund 804 Flood Mitigation Funds in the amount of \$100,000 and Fund 616 Community Housing in the amount of \$100,000.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, approving an interfund loan from Fund 804 and Fund 616 in the total amount of \$200,000 to the 811 Revolving Loan Fund to be used for a loan to Specialty Systems contingent upon completion of an application and all documentation required by the EDA.

Adopted by the City Council this 3rd day of March, 2014.

David Smiglewski,
Mayor

ATTEST:

Joan M. Taylor
City Clerk

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

TAX ABATEMENT POLICY: Upon the recommendation of the EDA Board, Galow introduced the following resolution and moved its adoption establishing a policy for consideration and approval of city tax abatements.

RESOLUTION NO. 14-32

RESOLUTION ESTABLISHING A TAX ABATEMENT POLICY

WHEREAS, Minnesota Statutes, Sections 469.1812 to 469.1815 (the "Act") provides that the City of Granite Falls (City), may under certain circumstances abate a portion of the property taxes imposed by the City on property located within the City; and

WHEREAS, after published notice as provided under the Act, the City shall conduct a public hearing with respect to the proposal to abate certain property taxes on certain properties located within the City; and

WHEREAS, the Act provides that the City may grant an abatement of taxes imposed by the City on certain properties if the City expects the benefits of an abatement agreement to at least equal the cost of a proposed abatement and that such abatement will be in the public interest because it will (1) increase or preserve tax base, (2) provide employment opportunities within the City, (3) provide or help acquire or construct public facilities, (4) help redevelop or renew blighted areas, (5) help provide access to services for residents of the City and, (6) finance or provide public infrastructure.

NOW, THEREFORE, BE IT RESOLVED that the City of Granite Falls shall establish a policy for consideration and approval of City tax abatements as follows:

1. Application. The City shall consider an abatement application when submitted to the EDA office. Regulations contained in Granite Falls Business Subsidy Criteria policy will apply to any abatement.
2. Properties for which abatements will apply. The City shall consider an abatement of a portion of real estate taxes on properties classified as either commercial/industrial.
3. Terms of Abatement. The duration of any abatement request shall be for no longer than 10 years only when the County also agrees to participate for the same period on the same property.
4. Non-competing businesses. The City shall consider the abatement of a portion of real estate taxes on properties that represent a non-competing business to other existing business within the City.
5. Review and Modification. The City shall reserve the right to review and modify the abatement where the taxes paid to the City were to decline.
6. Minimum Valuation. The City shall consider abatement requests where the minimum valuation exceeds \$ \$ 400,000.
7. Tax Increment Financing Districts (TIF). The property receiving the abatement may not be located within a Tax Increment Financing District (TIF).
8. Maximum Annual Abatement Amount Per Parcel. The maximum annual abatement for a parcel equals the City's total net tax capacity multiplied by the total net tax capacity of the parcel.
9. Maximum Annual Abatement Amount per Taxing District. The total of all the City abatements granted in any one year may not exceed 10% of its current net tax capacity.

Adopted by the City Council this 3rd day of March, 2014.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

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

REPORTS: The Utilities Commission report was acknowledged at this time.

POWER COST ADJUSTMENT: Council was advised that in July 2013 the billing from Utilities Plus for energy purchases changed to reflect the kw hours purchased from WAPA without any formal notification made to the city which caused the monthly power costs adjustment to be less than it should have been as the energy purchased from WAPA was counted twice. Upon the recommendation of the Utilities Commission, Galow introduced the following resolution and moved its adoption authorizing the recapture of utility costs under-billed which will be reflected in the power cost adjustment on utility bills over the next nine months.

RESOLUTION NO. 14-33

RESOLUTION AUTHORIZING RECAPTURE UTILITY COSTS

WHEREAS, the city's monthly power cost adjustment is calculated upon costs incurred by the city regarding the purchase and delivery of power; and

WHEREAS, in July 2013 the billing from Utilities Plus for energy purchases changed to reflect the kw hours purchased from WAPA without any formal notification made to the city which caused the monthly power costs adjustment to be less than it should have been as the energy purchased from WAPA was counted twice; and

WHEREAS, the Utilities Commission is recommending council recover the amount under billed which could be reflected in the monthly power cost adjustment on utility bills over the next nine months.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, authorizing the recapture of utility costs under billed to be reflected in the power cost adjustment on utility bills over the next nine months.

Adopted by the City Council this 3rd day of March, 2014.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

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

CMMPA: Also upon the recommendation of the Utilities Commission, Peterson introduced the following resolution and moved its adoption authorizing execution of a Power Supply Agreement with CMMPA to purchase from Xcel Energy and to resell to the

city as set forth in Transaction Specification and Term Sheets to be executed by the city for years 2014 through 2020.

RESOLUTION NO. 14-34

RESOLUTION AUTHORIZING EXECUTION OF
POWER SUPPLY AGREEMENT

WHEREAS, Central Minnesota Municipal Power Agency has received a power supply proposal from Xcel Energy for a 5-day by 16-hour purchase of seasonal energy, a 5-day by 16-hour purchase of fixed price energy and a 5-day by 16-hour fixed price blend and extended energy; and

WHEREAS, certain members of CMMPA have indicated they wish CMMPA to purchase such energy on their behalf, resell the energy to them and authorized CMMPA to utilize its discretion in making optimal purchases for such individual members so long as the price of such energy does not exceed \$50 per megawatt hour.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, authorizing execution of a Power Supply Agreement with CMMPA to purchase from Xcel Energy and to resell to the city as set forth in Transaction Specification and Term Sheets to be executed by the city for years 2014 through 2020, inclusive; and

BE IT FURTHER RESOLVED that CMMPA staff members may utilize their discretion in optimizing the precise terms of purchase from Xcel Energy and resale to the city to fit the city's needs and goals; and

BE IT FURTHER RESOLVED, that the Mayor and City Manager are hereby authorized to execute all documents necessary to effectuate the transaction with CMMPA, including the Transaction Specification and Term Sheets evidencing the transaction.

Adopted by the City Council this 3rd day of March, 2014.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

CERTIFICATE

I, Joan M. Taylor, City Clerk of the City of Granite Falls do hereby certify that attached hereto is a true and correct copy of a resolution duly adopted by the City Council of Granite Falls, Minnesota, on the 3rd day of March, 2014, notice of such meeting having been given in accordance with law and at which meeting a quorum was present and acting throughout.

I also do hereby certify that such resolution has not been amended in any way from the date of such adoption to the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of March, 2014.

Joan M. Taylor
City Clerk

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

PARK BOARD: M/S SCHAUB/NORDAUNE TO APPOINT JOYCE LEWISON AND RYAN MEEHAN TO THE PARK BOARD. Motion carried unanimously by those present.

WESTERN FEST: The Lions Club has requested the use of Richter Field and the donation of the city bus again this year for Western Fest. Following discussion M/S PETERSON/OTAIBI TO ALLOW THE LIONS CLUB THE USE OF RICHTER FIELD AND TO DONATE THE USE OF THE CITY BUS FOR THE WESTERN FEST CELEBRATION. Motion carried unanimously by those present.

2014 BUDGET: Upon the recommendation of Finance Director Betker, Schaub introduced the following resolution and moved its adoption approving the budget amendments as follows:

<u>Account Title\Acct. #</u>	<u>Original</u>	<u>Amended</u>
CIP Program\601.49570.3036	\$20,000.00	\$50,000.00
Transfer to Electric D.S.\601.49570.7202	\$313,000.00	\$340,000.00
Interest Expense\318.47000.6100	\$64,507.50	\$122,433.67
Fireman's Relief Aid\101.33420	\$17,500.00	\$0.00
Pumper Expense\411.42200.5027	\$0.00	\$5,213.00
Transfer to Capital Improvements\101.49900.7201	\$222,700.00	\$227,913.00
Designated Reserve\101.49200.7210	\$190,873.00	\$168,160.00
Bond Principal\321.47000.6000	\$0.00	\$35,000.00
Interest Expense\321.47000.6100	\$0.00	\$10,806.25
Computer/Copy Machine Library\411.45500.5700	\$0.00	\$5,600.00
Transfer-KCC\101.49200.7203	\$78,550.00	\$92,975.00
Designated Reserve\101.49200.7201	\$168,160.00	\$153,735.00
Transfer In-General\612.39261	\$78,550.00	\$92,975.00
Equipment Maintenance\612.45110.2210	\$13,500.00	\$27,925.00

RESOLUTION NO. 13-35

RESOLUTION APPROVING AMENDMENTS
TO 2014 BUDGET

WHEREAS, the following adjustments to the 2014 budget have been recommended:

<u>Account Title\Acct. #</u>	<u>Original</u>	<u>Amended</u>
CIP Program\601.49570.3036	\$20,000.00	\$50,000.00
Transfer to Electric D.S.\601.49570.7202	\$313,000.00	\$340,000.00
Interest Expense\318.47000.6100	\$64,507.50	\$122,433.67
Fireman's Relief Aid\101.33420	\$17,500.00	\$0.00
Pumper Expense\411.42200.5027	\$0.00	\$5,213.00
Transfer to Capital Improvements\101.49900.7201	\$222,700.00	\$227,913.00
Designated Reserve\101.49200.7210	\$190,873.00	\$168,160.00
Bond Principal\321.47000.6000	\$0.00	\$35,000.00
Interest Expense\321.47000.6100	\$0.00	\$10,806.25
Computer/Copy Machine Library\411.45500.5700	\$0.00	\$5,600.00
Transfer-KCC\101.49200.7203	\$78,550.00	\$92,975.00
Designated Reserve\101.49200.7201	\$168,160.00	\$153,735.00
Transfer In-General\612.39261	\$78,550.00	\$92,975.00
Equipment Maintenance\612.45110.2210	\$13,500.00	\$27,925.00

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, approving the recommended amendments to the 2014 budget.

Adopted by the City Council this 3rd day of March, 2014.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

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

AIRPORT: Upon the recommendation of the Airport Commission, Peterson introduced the following resolution and moved its adoption authorizing execution of a Hangar Lease Agreement with Roland Fagen for the hangar located on Site "7" of the hangar layout map dated 12/21/13.

RESOLUTION NO. 14-36

RESOLUTION AUTHORIZING EXECUTION OF A
HANGAR LEASE AGREEMENT – ROLAND FAGEN

WHEREAS, Roland Fagen has requested entering into a Hangar Lease Agreement for hanger measuring approximately 2,400 square feet referred to as Site "7" in an amount of twelve (\$.12) cents per square foot (excluding apron) for a total of annual lease payment of \$288 per year.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, authorizing execution of the Hangar Lease Agreement with Roland Fagen hangar Site "7" (excluding apron) measuring approximately 2,400 square feet in an amount of twelve (\$.12) cents per square foot for a total of \$288 per year; said lease to run from February 1, 2014 through December 31, 2015 to be consistent with all Hangar Lease Agreements.

Adopted by the City Council this 3rd day of March, 2014.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

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

VOLSTEAD HOUSE: Following discussion Schaub introduced a resolution and moved its adoption requesting proposals for professional design and construction

management services to complete the foundation repairs to the Volstead House Museum; said proposals to be received until Thursday, April 3rd to be considered by council at its April 7th meeting.

RESOLUTION NO. 14-37

RESOLUTION REQUESTING PROPOSALS VOLSTEAD HOUSE MUSEUM FOUNDATION REPAIRS

WHEREAS, pursuant to Resolution 14-12 council authorized execution of the Minnesota Historical & Cultural Heritage Grant Agreement between the city and the Minnesota Historical Society in the amount of \$153,990 to assist the city in repairs to the Volstead House; and

WHEREAS, the grant agreement with the Minnesota Historical Society requires Request for Proposals be received for professional design and construction management services.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, requesting proposals for professional design and construction management services to complete the foundation repairs to the Volstead House Museum; said proposals to be received on Thursday, April 3rd to be considered by council at its April 7th meeting.

Adopted by the City Council this 3rd day of March, 2014.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

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

LIBRARY: Fagnano introduced the following resolution and moved its adoption calling for quotes for replacement of the color copier at the Library; said quotes to be considered by council at the March 17th meeting.

RESOLUTION NO. 14-38

RESOLUTION CALLING FOR BIDS FOR
REPLACEMENT OF LIBRARY COPIER

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, calling for quotes for the replacement of the color copier at the Library; said quotes to be available for council consideration at the March 17th meeting.

Adopted by the City Council this 3rd day of March, 2014.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

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

FLOOD MITIGATION: Schaub introduced the following resolution and moved its adoption calling for bids for the demolition of the structure located at 1884 Highway 212 West; said bids to be received on April 3rd to be presented to council for consideration at the April 7th meeting.

RESOLUTION NO. 14-39

RESOLUTION CALLING FOR BIDS FOR THE
DEMOLITION OF SINGLE FAMILY RESIDENCE

WHEREAS, the city has now acquired ownership of the residence located at 1884 Highway 212 West; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, calling for bids for the demolition of the structure located at 1884 Highway 212 West; said bids to be received on April 3rd to be presented to council for consideration at the April 7th meeting.

Adopted by the City Council this 3rd day of March, 2014.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

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

DALLAS II: Following discussion Galow introduced a resolution and moved its adoption authorizing the replacement of the tile floor at Dallas II in an amount not to exceed \$10,000.

RESOLUTION NO. 14-40

RESOLUTION AUTHORIZING REPLACEMENT OF TILE FLOOR
DALLAS II

WHEREAS, the tile floor in Dallas II is in need of replacement;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, authorizing the replacement of floor tile in Dallas II in an amount not to exceed \$10,000.

Adopted by the City Council this 3rd day of March, 2014.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

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

ORDINANCE: Following discussion M/S PETERSON/SCHAUB TO HAVE THE FIRST READING OF AN ORDINANCE OF THE CITY OF GRANITE FALLS, MINNESOTA, AMENDING CITY

CODE CHAPTER 8, ENTITLED PUBLIC PROTECTION, CRIMES AND OFFENSES, BY AMENDING SECTION 8.20, SHADE TREE DISEASE CONTROL AND PREVENTION, SUBD. 2A, SHADE TREE DISEASE, AND BY REFERENCE SECTION 8.99 AND CITY CODE CHAPTER 1, WHICH, AMONG OTHER THINGS, CONTAIN PENALTY PROVISIONS. Motion carried unanimously by those present.

FLOOD MITIGATION: Council reviewed correspondence received from SHPO indicating “no adverse effect” based upon their review of the 90% plan set for rehabilitation of the pedestrian bridge. The Project Memorandum has now been sent out for signature.

Relative to the sanitary sewer lift station, council was advised that the necessary documents have been submitted to the Federal EDA for review.

Council also reviewed an email summarizing the work remaining on the secondary pumping station.

WATER TREATMENT PLANT: Staff advised council that the supporting documentation relative to Change Order No. 4 has been forwarded to Rural Development for review.

TURBINE REPLACEMENT: An update relative to costs associated with replacement of the draft tube is expected to be available at the March 17th meeting.

NURSING HOME: Council was advised that Hospital Administrator Gerlach has signed a petition requesting the necessary public improvements to serve the new nursing home project.

ADJOURN: M/S/P PETERSON/SCHAUB TO ADJOURN at 8:45 p.m.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

BILLS PAID:

Total ANDERSEN, INC., EARL L.:	239.23
Total ARTIC GLACIER INC:	43.12
Total AUS, NANCY:	450.00
Total BARR ENGINEERING CO.:	1,976.00
Total BEVERAGE WHOLESALERS INC:	300.00
Total BORCH'S SPORTING GOODS:	40.00
Total BRINDLEE MOUNTAIN FIRE APPARATUS LLC:	4,950.00
Total C. EMERY NELSON INC:	118.83
Total CENTURLINK:	201.28

Total CG AUTOMATED SOLUTIONS USA INC:	126,467.10
Total CITIZENS ALLIANCE BANK:	30.00
Total CNH CAPITAL:	102.52
Total COCARD:	104.10
Total COLLECTION BUREAU:	50.00
Total CONVENTION & VISITORS BUREAU:	657.58
Total DAN'S SHOP INC:	48.53
Total DAVIS TYPEWRITER CO:	89.62
Total FIRE SAFETY U.S.A.:	1,215.00
Total FLEXIBLE PLASTICS INC:	626.18
Total G & K SERVICES:	101.03
Total HALDEMAN-HOMME INC:	203.06
Total HEARTLAND PAYMENT SYSTEMS:	67.93
Total HOERNEMANN, PAUL:	255.00
Total JOHNSON BROS WHOLESALE LIQUOR:	7,315.77
Total KOTEK, NICOLLE:	60.00
Total KRANITZ, FRANK:	325.00
Total LIGHT FUND:	25,061.83
Total LOCHER BROTHERS:	6,112.80
Total M.A.A.C. INC.:	1,995.00
Total MADISON BOTTLING CO.:	5,741.50
Total MARCO:	286.56
Total MERCURY PAYMENT SYSTEMS:	1,399.10
Total MINNESOTA LIFE:	1.14
Total MINNESOTA VALLEY SERVICES LLC:	1,229.06
Total MINNESOTA VALLEY TECH. INC:	31.25
Total MN DEPT OF HEALTH-WATER:	1,963.00
Total MN DEPT OF REVENUE:	24,315.10
Total MN DPT OF ADMINISTRATION:	106.87
Total MN DPT OF PUBLIC SAFETY:	100.00
Total MN GOVT FINANCE OFFCRS ASSN:	60.00
Total MN NCPERS-496000:	80.00
Total MN POLLUTION CONTROL AGENCY:	1,850.00
Total MN PUBLIC TRANSIT ASSOCIATION:	265.00
Total MN RURAL WATER ASSN:	225.00
Total MN TRANSPORTATION ALLIANCE:	90.00
Total MN VALLEY TESTING LAB INC.:	257.00
Total MOSS & BARNETT:	2,004.00
Total MVTV:	362.70
Total NIELSEN, BETSY:	80.00
Total OFFICE PEEPS:	267.32
Total PAUSTIS & SONS:	143.00
Total PETERSEN, JODI:	362.50
Total PHILLIPS WINE & SPIRITS CO.:	2,360.56
Total POSTMASTER:	592.02
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Total REGIONAL DEVELOP. COMMISSION:	40.50
Total RODEBERG & BERRYMAN INC.:	9,254.25
Total SIOUX VALLEY WIRELESS:	19.95
Total SMIGLEWSKI, DAVID:	245.94
Total SOUTHERN WINE & SPIRITS OF MN:	2,664.62
Total STANTEC CONSULTING SERVICES:	9,704.52
Total SUMMIT ENVIROSOLUTIONS:	198.00
Total SW-WC SERVICE COOPERATIVES:	31,427.50
Total TITAN MACHINERY:	217.28
TOTAL FILTRATION SYSTEM:	198.41
Total TROY'S ELECTRIC COMPANY:	381.45
Total UNIFORMS UNLIMITED:	141.97
Total USA BLUEBOOK:	103.19
Total VANCO SERVICES:	44.00
Total VERIZON WIRELESS:	1,910.56
Total VIKING COCA-COLA BOTTLING CO.:	110.50
Total VISA:	1,796.76
Total WBM WINE & SPIRITS:	4,464.17

Official City Council Proceedings, Regular Meeting March 3, 2014

Total WEST CENTRAL COMMUNICATIONS:	210.33
Total WEST CENTRAL ROOFING INC:	283.00
Total WIDSETH SMITH NOLTING & ASSC.:	1,670.00
Total YELLOW MEDICINE CO HWY DEPT:	5,442.90
Total YELLOW MEDICINE ICS:	100.00
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Grand Totals:	294,008.99
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