

**MINUTES OF A REGULAR CITY COUNCIL MEETING HELD WEDNESDAY,
DECEMBER 20, 2006 – 7:00 P.M. – ROCKVILLE CITY HALL**

The meeting was called to order by Mayor Brian Herberg. Roll Call was taken and the following members were found to be present: Mayor Herberg, Council members: Vern Ahles, Jeff Hagen, Ed Karls, Lloyd Lommel, & Don Simon. Greg Simones arrived at 7:04 p.m. Absent: None.

Staff Members present were: Administrator/Clerk Rena Weber, Maintenance Person Rick Hansen, Fire Chief Randy Dingmann, Attorney Jim Mogen & SEH Engineer Scott Hedlund.

Others present were: Tудie Hermanutz, Aaron Cheeley, Cheryl Lommel, Mike Hofmann, Jim Schueller, Holly Voigt & Gene Huebner-S. J. Louis Construction, Stacie Kvilvang, Scott Stenseth, Brian Hatten, Duane Willenbring, Sgt. Jon Lentz, Dave Volkmuth, John Koerber, Irene Karls & Joyce Simones.

ADDITIONS TO THE AGENDA: Motion by member Ahles, second by Member Simon, to approve the additions to the agenda for discussion purposes.

AFFIRMATIVE VOTES: Ahles, Hagen, Herberg, Karls, Lommel, Simon & Simones
Motion passed on a 7 to 0 vote.

CONSENT AGENDA: Member Simon questioned CK #008665 regarding the Gluek Brewing bill from SEH. Scott Hedlund reported that this was due to discussion held with Gluek Brewing regarding their possible location in Rockville.

Motion by Member Simon, second by Member Ahles, to approve the Consent

Agenda as presented:

a) **Approve minutes of 12/06/06 and 12/13/06.**

b) **Approve Treasurer's Report of 12/20/06.**

c) **Approve List of Bills and Additions:**

Accounts Payable CK #008618 to 008667 **\$70,571.75**

Payroll CK #002550 to 002555 **4,748.25**

d) **Approve Renewal of 2007 Cigarette Licenses**

400 Club, Grandview Resort, B's Liquor & Corky's Gas & Bait

AFFIRMATIVE VOTES: Ahles, Hagen, Herberg, Karls, Lommel, Simon & Simones
Motion passed on a 7 to 0 vote.

BOARD/STAFF REPORTS

POLICE DEPARTMENT – Sgt. Jon Lentz was present to report there were 69.5 contract hours during the month of November. Sgt. Lentz listed the types of calls.

Member Lommel questioned how the reports get filed as there is concern relating to Local Government Aid. Sgt. Lentz reported that most all should go off of what the call location screen says which should all be Rockville. Sgt. Lentz will check into this further.

PLANNING COMMISSION – Rena Weber reported that Nextel Communications had to reapply for a conditional use permit to construct a 199' radio tower on the Hansen property since they did not construct the first tower within one year of granting the permit. The Planning Commission had recommended approval of the conditional use permit based on the findings of fact. The address of the property is: 23351 Rausch Lake Road with a legal description of:

PARENT PROPERTY DESCRIPTION:

Part of the Northeast Quarter of Section 16, Township 123 N., Range 29 W., Stearns County, Minnesota.

PROPOSED LEASE TRACT DESCRIPTION:

The Part of the Northeast Quarter of Section 16, Township 123 N., Range 29 W., Stearns County, Minnesota described as follows:

Commencing at the northwest corner of said Northeast Quarter, said point being marked by a Stearns County cast iron monument; thence North 89 degrees 37 minutes 40 seconds East, bearings based on the Stearns County Coordinate Grid, along the north line of said Northeast Quarter a distance of 347.96 feet; thence South 05 degrees 56 minutes 25 seconds East a distance of 270.70 feet to the point of beginning of the lease tract to be described; thence North 84 degrees 03 minutes 35 seconds East a distance of 100.00 feet; thence South 05 degrees 56 minutes 25 seconds East a distance of 100.00 feet; thence South 84 degrees 03 minutes 35 seconds West a distance of 100.00 feet; thence North 05 degrees 56 minutes 25 seconds West a distance of 100.00 feet to the point of beginning.

Said Lease Tract contains 10,000 square feet.

PROPOSED ACCESS & UTILITY EASEMENT DESCRIPTION:

A 12.00 foot easement for access purposes and an 8.00 foot easement for utility purposes over, under and across the Northeast Quarter of Section 16, Township 123 North, Range 29 West of the Fourth Principal Meridian. Said access easement being 12.00 feet to the right, and said utility easement being 8.00 feet to the left of the following described line:

Commencing at the northwest corner of said Northeast Quarter, said point being marked by Stearns County cast iron monument; thence North 89 degrees 37 minutes 40 seconds East, bearings based on the Stearns County Coordinate Grid, along the north line of said Northeast Quarter a distance of 347.96 feet; thence South 05 degrees 56 minutes 25 seconds East a distance of 347.76 feet to the point of beginning of the line to be described; thence South 75 degrees 57 minutes 48 seconds West a distance of 221.96 feet to the northeasterly line of Pine Street and said line there terminating.

Member Lommel introduced the following resolution and moved for its adoption:

RESOLUTION NO. 2006-46

RESOLUTION APPROVING A CONDITIONAL USE PERMIT TO LOCATE A WIRELESS COMMUNICATIONS TOWER IN THE AG-40 DISTRICT IN THE CITY OF ROCKVILLE.

WHEREAS, Nextel Communications/Dan Hansen etal have requested a conditional use permit in order to construct a 199' wireless communications tower in the AG-40 District, and;

WHEREAS, The address of the property is: 23351 Rausch Lake Road with a legal description of: 363.52 A NE4 & N2 SE4 and S3/4 SW4NW4 less .17 A and SE4SW4 & N2SW4 less 20A also the N 334' of E500' of SW4SW4 – Section 16, Township 123, Range 029

WHEREAS, SECTION 16 Subdivision 4 (19): Conditional Uses reads:

- 19. Commercial Wireless Telecommunication Service Towers subject to Section 13 of City Zoning Code.**

NOW, THEREFORE BE IT RESOLVED BY THE ROCKVILLE CITY COUNCIL, STEARNS COUNTY, MINNESOTA:

- 1. Said request is hereby approved as presented.**
- 2. Said approval is not a burden on public facilities, is compatible with existing and planned adjacent uses, has no adverse affect on adjacent properties, the use is related to the needs of the city, is consistent with the Comprehensive Plan, is not a traffic hazard, there is adequate parking and loading, and;**
- 3. The granting of the conditional use permit will not be detrimental to the public health, safety and general welfare of the City.**
- 4. A copy of the Findings of Fact is hereby attached and marked Exhibit A.**

The motion for the foregoing resolution was duly seconded by Member Karls with the following vote being taken:

AFFIRMATIVE VOTES: Ahles, Hagen, Herberg, Karls, Lommel, Simon, & Simones Motion passed on a 7 to 0 vote.

MAINTENANCE DEPARTMENT – Rick Hansen reported on the following:
 SANDER - Rick Hansen reported the sander is here & has been installed on the truck.

ONE TON TRUCK – The one ton truck came in \$518.00 cheaper than expected.

PARK & RECREATION – Chair Scott Stenseth reported on the following:
 Rockville Santa Day – There were approximately 75 kids in attendance and also several adults. Juice and cookies were served. Scott thanked all the volunteers, Girl Scouts, & Bruce Conrad for the picture taking. They raised over 90 lbs of non-perishable food for the Cold Spring Food Shelf.
 2006 ACCOMPLISHMENTS:

- Finished updating by-laws
- They are planning on flooding the skating rinks – pending weather
- Adopted a Park Ordinance
- Approved a rental form to reserve the parks
- Assisted the Trails Task Force
- Easter egg hunt
- Summer youth program had 102 entrants
- Sponsored the Kiddie Tractor Pull at Rockfest
- Twin’s field grant
- Constructed dugouts
- Installed a security gate
- Dugout roofs
- Working on an Eagle Scout project
- General park clean up
- Landscaped in Lion’s park
- Collected 250 lbs. for Cold Spring food shelf

1/4/07 Next meeting

2007 BUDGET AND TAX LEVY - Rena Weber reported on the additional proposed changes to the budget and also the COLA affect.

(A complete copy of the proposed reductions is hereby attached and marked Exhibit B).

Member Hagen questioned the \$20,332 fire truck interest only payment in 2006.

Member Simones questioned the Rocori Trail funds and if that has been established.

Member Simones questioned the percent that was reduced.

Motion by Member Hagen, second by Member Lommel, to approve the 2007 Budget and Tax Levy with the proposed reductions as presented and hopes that all will get a better handle on the finances, and further with the understanding that COLA will be considered after the first of the year.

General Fund	\$630,500
1997 G.O. Imp. Bond	9,984
1998 G.O. Imp. Bond	8,088
Fire Protection	102,000
EDA	10,000
2004 Imp. Bond – Prairie Industrial Park	3,400
Rock Fest	4,000
Facilities – City Hall/Fire Hall	<u>221,064</u>
Total	<u>\$989,036</u>

Member Simon expressed concern that COLA should be discussed after the new council is on. The Maintenance Department has bad equipment and the roads need to be maintained so we are going to look at those needs.

Mayor Herberg reported that we are taking \$17,500 out of the Maintenance Department and \$20,000 out of Fire Department budgets.

***AFFIRMATIVE VOTES: Ahles, Hagen, Herberg, Karls, Lommel, Simon, & Simones
 Motion passed on a 7 to 0 vote.***

INVESTMENT POLICY – Rena Weber asked for approval of the proposed investment policy stating that one needs to be in place for GASB 34.

Motion by Member Hagen, second by Member Simones, to approve the Investment Policy as presented and dated 12/20/06. A copy is hereby attached and marked Exhibit C.
AFFIRMATIVE VOTES: Ahles, Hagen, Herberg, Karls, Lommel, Simon, & Simones
Motion passed on a 7 to 0 vote.

POLICY ON DESIGNATING FUNDS – Administration asked for council approval on a policy regarding designated funds and further to amend the next year's budget (i.e. 2007) to incorporate the designated funds (i.e. 2006) in the expenditure report of the budget. (This would not result in a levy increase). This would allow for a more accurate view of where the year to date budget is vs. the adopted budget. (Currently a budget can look like it is overspent, when it is actually not, if designated funds from the previous year are being spent in the next fiscal year). The recommendation is to try this policy for one year and to review whether it achieves the intended result. If it does, the intent would be to continue this policy for subsequent years.

Motion by Mayor Herberg, second by Member Ahles, to approve the policy as recommended.
AFFIRMATIVE VOTES: Ahles, Hagen, Herberg, Karls, Lommel, Simon, & Simones
Motion passed on a 7 to 0 vote.

YEAR END BUDGET AMENDMENTS – Rena Weber requested council approval on year end budget amendments as a way of cleaning up the budget. Such changes were approved previously and the budget should reflect those changes.

Motion by Mayor Herberg, second by Member Karls, to approve the budget amendments as presented. A copy is hereby attached and marked Exhibit D.
AFFIRMATIVE VOTES: Ahles, Hagen, Herberg, Karls, Lommel, Simon, & Simones
Motion passed on a 7 to 0 vote.

DESIGNATED FUNDS – Administration Department requested approval for release of designated funds for the 2006 budget and also designation of funds from the 2006 budget.

Motion by Mayor Herberg, second by Member Lommel, to approve the Designated Fund requests from the 2006 budget as presented. A copy is hereby attached and marked Exhibit E.
AFFIRMATIVE VOTES: Ahles, Hagen, Herberg, Karls, Lommel, Simon, & Simones
Motion passed on a 7 to 0 vote.

11/15/06 MINUTES – Member Hagen voiced concern regarding the topic of building inspector brought up at the last meeting in that the minutes do not reflect the initial intent of that motion. All discussion prior to the mayor's motion was to hire Code Consulting effective immediately and exercise the 180-day termination with All-Spec. Those are two critical issues that should be spelled out in the minutes of the meeting.

Member Hagen said he questioned whether we had received legal opinion regarding immediate hiring of Code Consulting and termination of All-Spec, and he was told we had received positive legal opinion in writing. When the city later found out that we did not have positive legal opinion, council was told that we had received verbal positive legal opinion that was contrary to the written legal opinion that was received after that earlier meeting. That was also not true, as that written legal opinion was received by the city approximately one month prior to that earlier meeting (11/15/06). That letter clearly states that the city cannot hire another building inspector while All Spec is under contract.

Member Hagen said that this letter should have been given to the council before or at that meeting, that there should not have been a recommendation to hire Code Consulting immediately, we should not have been told at the subsequent (December) meeting that this letter came after that earlier November meeting, when in fact it had come approximately 1 month prior to that earlier meeting. Hagen said we need to hear the truth, and the facts, at these council

meetings and the meeting minutes need to reflect what occurred at that particular time, and should not be changed due to something discovered after that meeting. These actions expose the city to legal action, reflect purely on the city and the council, and the more that is covered up, the greater the exposure to the city is.

Mayor Herberg indicated that Code Consulting was hired to take over when the current contract ends after the 180-day termination period with the current building official.

Member Lommel read the motion from the 11/15/06 meeting taken after Code Consulting was hired in that we would start the termination process with current contract and make the new contract start when it can legally be done.

DAN HANSEN EXTENSION – Dan Hansen was present to request an extension on the letter of credit for his interim use permit. Dan indicated that he was busy and did not get it done and there was a problem with the names on the title.

Motion by Member Hagen, second by Member Simon, to grant an additional 90 days to provide the letter of credit.

Member Simones asked that there be an assurance that he will not move gravel and that this does not change the terms on the IUP or the 5 years. Dan Hansen agreed to not move any gravel and the IUP does not change.

AFFIRMATIVE VOTES: Ahles, Hagen, Herberg, Karls, Lommel, Simon, & Simones
Motion passed on a 7 to 0 vote.

ADDITIONS TO THE AGENDA

POLICY CHANGE – Rena Weber asked for approval of a policy for paying Maintenance Workers when attending fire/rescue calls during normal work hours.

Motion by Member Simones, second by Member Simon, to approve the change to the employee policy manual as presented:

Compensation for Attending Fire/Rescue Calls during Regular Work Hours

When a regular full-time or part-time employee (who is a volunteer fire fighter) is called to respond to a fire/rescue call during normal working hours (8:00 a.m. to 4:00 p.m.), they shall be compensated at their normal hourly wage as working for the city Maintenance Department. If the response time exceeds the 4:00 p.m. end of shift, they shall be compensated at the rate of pay as a fire fighter (for the time after 4:00 p.m.) At no time will the employee be paid double.

AFFIRMATIVE VOTES: Ahles, Hagen, Herberg, Karls, Lommel, Simon, & Simones
Motion passed on a 7 to 0 vote.

UPDATE ON WELL PROJECT (VOIGT PROPERTY) -

Attorney Jim Mogen thanked the council for allowing Rinke Noonan to continue representing the city. Attorney Mogen indicated we are virtually done with the Voigt property well acquisition as the commissioners agreed to the \$51,000. The owner was demanding \$150,000. The process from here on is to file the findings with the court and further he does not anticipate it being appealed. Jim Mogen indicated that because we went through this process we had ownership last winter.

BUTCH RIELAND RESIGNATION – Rena Weber read Butch Rieland's letter of resignation as the Fire Inspector citing time commitments. It was determined that a thank you letter be sent to Butch Rieland.

Motion by Mayor Herberg, second by Member Lommel, to accept Butch Rieland's resignation as Fire Inspector.

AFFIRMATIVE VOTES: Ahles, Hagen, Herberg, Karls, Lommel, Simon, & Simones
Motion passed on a 7 to 0 vote.

PUBLIC HEARING

PUBLIC HEARING (S J LOUIS BUSINESS SUBSIDY AGREEMENT) – Mayor Herberg announced that a public hearing would now be held to consider approval of a business subsidy agreement for S J Louis Construction, Inc.

Stacie Kvilvang – Ehler’s and Associates read the notice of public hearing correcting the hearing date from Monday, December 20th stating it should have been Wednesday.

Stacie Kvilvang reviewed the memorandum dated 12/20/06:

- 185 people are employed by S J Louis with 35 employed in Waite Park
- Issues to consider include the number of jobs that will be created – 6 FTE that pay at least \$12.30/hour
- Level of assistance – estimated benefit will be:
 - Corporate Franchise Tax Savings - \$810,500
 - Sales Tax Savings - \$1,172,550
 - Property Tax Savings - \$379,400
 - Job Creation Credit - \$723,350
 - Annual Benefit \$3,085,800
- Benefits to the Community:
 - Development of a new business within the community
 - Creation of six (6) new, higher paying jobs
 - Community will continue to retain the City’s portion of the taxes generated from the land
 - S J Louis is financing the extension of utilities
 - S J Louis is contributing \$84,000 to the Rocori Trail

Open up for comments –

Jim Schueller stated that they are excited about this deal and the opportunities for this area. They would like to be in the building by next August or September.

Duane Willenbring stated that as an EDA board member he hopes it works out. Duane Willenbring also hopes council will make the decision to extend the olive branch and asked if anybody has contacted the county about a turn lane? Scott Hedlund reported that he has done this.

Motion by Member Ahles, second by Member Simon, to close the public hearing at 8:09 p.m.

***AFFIRMATIVE VOTES: Ahles, Hagen, Herberg, Karls, Lommel, Simon, & Simones
Motion passed on a 7 to 0 vote.***

BUSINESS SUBSIDY AGREEMENT –

Motion by Member Lommel, second by Mayor Herberg, to approve the business subsidy agreement with S J Louis as presented and dated 12/15/06.

Member Simones stated that on behalf of the EDA he is urging the council to approve the agreement. Some minor changes were made and implemented. This will be a generous reward for the city.

***AFFIRMATIVE VOTES: Ahles, Hagen, Herberg, Karls, Lommel, Simon, & Simones
Motion passed on a 7 to 0 vote.***

Mayor Herberg thanked Jim Schueller for their generous donation to the Rocori Trail and welcomed them to the city.

PUBLIC HEARING – COUNTY ROAD 82 IMPROVEMENT – Mayor Herberg announced that a public hearing would now be held to consider the County Road 82 improvement project.

Engineer Scott Hedlund presented the information on the project indicating the costs to extend a 12” watermain and 10” sewermain. \$442,678.52 is the estimated cost.

Preliminary Assessment worksheet:

Future assessment to Molitor property	\$152,634
S J Louis assessment	290,045

Feasibility report – Scott presented information on the most economical way to extend water/sewer to the west end of the Dietman property and that in order to maximize the grant dollars they could extend the watermain to Prairie Industrial Drive.

Financial Summary for extending watermain to Prairie Industrial Drive:

Estimated Cost	\$620,398
DEED Grant	229,143
Estimated Assessment	139,307
Estimated Trunk Charges	346,908
Estimated City Cost	134,183

Scott Hedlund informed the council that any money not covered by the DEED grant would be city cost and should be covered by future trunk fees.

Attorney Jim Mogen added language to the resolution allowing the city to use any type of financing (covered in item 4).

Discussion was held regarding the extension of the water. This would need a public hearing in the future.

Bruce Conrad – Hubert Lane – questioned if the city is not supplying anything with sewer past Dietman’s and will there be any consideration for this in the future. The first estimate was on the high side due to jack and boring. Will the County not let us lay a pipe in the ditch? Bruce Conrad would like to see if they could hook into some system. There are two mound systems in this area.

Scott Hedlund reported that the only reason we are extending any water is to maximize the grant. The City would need more watermain to serve the Donabauer property. There is not any interest at this point. The right way to install watermain/sewermain is to open cut underneath when the county is doing their project, however, that segment of CR 82 is not having the same amount of construction. Watermain is going to be in the ditch and will not be crossing the road.

Dan Hansen – 23762 Mill Street South – stated that this is what the Planning Commission is looking for – smart growth. Mr. Hansen is in favor of it.

Jerry Hettwer – stated that he is the person who initiated this process. Mr. Hettwer questioned the assessment that SJ Louis is taking on and stated it should have a sundown date. It was reported that the year 2014 is the sundown date.

Motion by Member Simones, second by Member Ahles, to close the public hearing at 8:32 p.m.

***AFFIRMATIVE VOTES: Ahles, Hagen, Herberg, Karls, Lommel, Simon, & Simones
Motion passed on a 7 to 0 vote.***

***Member Simones introduced the following resolution and moved for its adoption:
RESOLUTION NO. 2006-47***

***RESOLUTION ORDERING IMPROVEMENT AND PREPARATION OF PLANS
COUNTY ROAD 82 SEWER & WATER***

WHEREAS, a resolution of the city council adopted the 15th day of November, 2006, fixed a date for a council hearing on the proposed improvement of C.R. 82 to the west line of the Dietman (SJ Louis Construction) property by installation of sanitary sewer, water main and sewer services.

AND WHEREAS, ten day’s mailed notice and two week’s published notice of the hearing was given, and the hearing was held thereon on the 20th day of December, 2006, at which time all persons desiring to be heard were given an opportunity to be heard thereon.

***NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ROCKVILLE,
MINNESOTA:***

- 1. Such improvement is necessary, cost-effective, and feasible as detailed in the feasibility report and addendum to the feasibility report.***
- 2. Such improvement is hereby ordered as proposed.***
- 3. Short Elliott Hendrickson, Inc. (SEH) is hereby designated as the engineer for this improvement. The engineer shall prepare plans and specifications for the making of such improvement.***

4. ***The city council declares its official intent to reimburse itself for the costs of the improvement from the proceeds of a tax exempt bond, special assessments, charges authorized by M.S. § 444.075, or a combination thereof.***
5. ***The new city council shall hold a public hearing to consider the option of extending the watermain to Prairie Industrial Drive.***

The motion for the foregoing resolution was duly seconded by Member Simon with the following vote being taken:

***AFFIRMATIVE VOTES: Ahles, Hagen, Herberg, Karls, Lommel, Simon, & Simones
Motion passed on a 7 to 0 vote.***

Attorney Jim Mogen informed the council that in regards to financing issues and while it is not planned to be assessed the council could use bonds although 20% has to be assessed. The Molitor property would be considered the 20%. Attorney Mogen recommended not awarding the contract until after the public hearing.

Discussion was held regarding setting the public hearing for the assessment with the understanding that we may not use the additional grant money and this should not be two separate projects.

***Member Lommel introduced the following resolution and moved for its adoption:
RESOLUTION NO. 2006-48***

***RESOLUTION ORDERING IMPROVEMENT AND PREPARATION OF PLANS
FOR COUNTY ROAD 82 WATER EXTENSION***

WHEREAS, the City Council has reviewed a feasibility report regarding the extension of water service from the County Road 82 Sewer & Water project ordered on December 20, 2006.

WHEREAS, the extension would extend only water service beyond the boundary of the Dietman (SJ Louis Construction) property.

WHEREAS, the extension is not currently included with the County Road 82 Sewer and Water Project, and the City Council wishes to proceed with a public hearing on this proposed extension as required by M.S. § 429.

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ROCKVILLE, MINNESOTA:

1. ***A public hearing regarding the extension of water service as defined in the addendum to the feasibility report for the County Road 82 Sewer & Water project shall be scheduled for January 17, 2007.***
2. ***The City Administrator is directed to mail and publish notice as required by M.S. § 429.***
3. ***The city council declares its official intent to reimburse itself for the costs of the improvement from the proceeds of a tax exempt bond, special assessments, charges authorized by M.S. § 444.075, or a combination thereof.***
4. ***The new city council shall hold a public hearing to consider the option of extending the watermain to Prairie Industrial Drive.***

The motion for the foregoing resolution was duly seconded by Mayor Herberg with the following vote being taken:

***AFFIRMATIVE VOTES: Ahles, Hagen, Herberg, Karls, Lommel, Simon, & Simones
Motion passed on a 7 to 0 vote.***

FIRE DEPARTMENT – Fire Chief Randy Dingmann reported on the following:

DESIGNATED FUND – Randy reported that it appears that the Fire Department payroll will end the year with a balance of approximately \$4,000 less in wages than adopted for the 2006 budget. The Fire Department requests approval to designate \$4,000 from 101-42200-103 for Fire Department operations for 2007.

Motion by Member Simones, second by Member Simon, to approve the request as presented.

***AFFIRMATIVE VOTES: Ahles, Hagen, Herberg, Karls, Lommel, Simon, & Simones
Motion passed on a 7 to 0 vote.***

COMMITTEE REPORTS

STREET COMMITTEE – Mayor Herberg reported on the following:

BWK – REQUEST FOR PAYMENT OF ADDITIONAL SERVICES – Mayor Herberg reported that BWK would like to close out the Sewer project and is requesting payment for additional services. On 6/6/06 they asked for an additional \$85,218.75 & an additional \$1010.62 = \$86,229.37 and they since have reviewed their request and offer:

\$11,843.05 reduction on 6/6/06 bill
 74,386.32 new balance
 +35,516.64 balance due from contract
 \$109,902.96

Issues yet include: telemetry issue at Pleasant Lake and meter valve issue at Prairie Industrial Park lift station.

The Street Committee met prior to the council meeting and recommends the city hold 10%. Another issue that should have been withheld from GM Contracting is the \$1050 sod bill paid to Dave Volkmuth. BWK stated they would split the cost if the City would agree. The Street Committee recommends this be held back \$11,000 (10%) less the \$525.

Member Simones questioned if the \$11,000 would be enough to finish the contract.

Items not done:

Telemetry - \$1,000 for BWK & \$14,000 City to Automatic System
 Meter Valve - \$5,000

Motion by Member Simones, second by Member Lommel, to approve payment for additional services after review of the numbers, retain \$20,000 and if BWK should complete a component of the outstanding issues then ½ partial payment will be made at that time.

AFFIRMATIVE VOTES: Ahles, Hagen, Herberg, Karls, Lommel, Simon, & Simones
Motion passed on a 7 to 0 vote.

ROAD GRADING – Chair Don Simon voiced concern regarding the grading of roads indicating that we used up the money this year. Glacier Road, Halfman Road & Rausch Lake Road need to be graded and the estimated cost is \$600 to \$800.

Rena Weber reported that there is a balance of \$689 in the gravelling budget.

Motion by Member Simon, second by Member Ahles, to approve grading of these roads using the \$689.00, but there has to be a positive improvement to the road.

AYES: Ahles, Hagen, Karls, Lommel, Simon & Simones

ABSTAINING: Herberg

Motion passed on a 6 to 0 vote.

REQUEST FOR COUNCIL ACTION – Chair Simon requested the council consider transferring \$100,000 from the General Fund instead of tax levy and set up a Road Maintenance fund #215.

Member Simones explained that money was earmarked from the Township when they consolidated. The Finance Committee has considered this request and recommends approval.

The Street Committee also recommends that a work session be set up with the new council to discuss financing of these projects.

Motion by Member Simon, second by Mayor Herberg, to approve the transfer of \$100,000 from the general fund in the 2007 budget to the newly established Road Maintenance Fund #215 and further to not levy taxes for this purpose.

AFFIRMATIVE VOTES: Ahles, Hagen, Herberg, Karls, Lommel, Simon, & Simones

Motion passed on a 7 to 0 vote.

EDA REPORT – Member Simones indicated that the EDA is slated to have a final meeting with SBI on 11/27/06 whereby we hope to final out the facility projects.

- SJ Louis project will come to a close
- There will be a membership turn over on the EDA

Member Simones asked that the Council allow one or two of the existing EDA members to stay on for one or two months until people step up to the plate. Mayor Herberg stated he will consider this request.

ADMINISTRATOR REPORT

TEMPORARY SNOW PLOW DRIVER – Rena Weber requested Council approval to hire Greg Stang as a temporary part-time snow plow driver at \$15.00 per hour and only when he is needed.

Motion by Mayor Herberg, second by Member Simones, to approve the hiring of Greg Stang as a temporary part-time snow plow driver at \$15.00/hr.

***AFFIRMATIVE VOTES: Ahles, Hagen, Herberg, Karls, Lommel, Simon, & Simones
Motion passed on a 7 to 0 vote.***

PAUL HOESCHEN TEMPORARY EMPLOYMENT – Rena Weber reported that Paul Hoeschen has proposed an easier way to pay for his water/sewer licenses:

\$400 per month and \$30.00 per hour

This would have amounted to a \$30.00 reduction in November.

Motion by Member Simones, second by Member Ahles, to approve the proposal for payment to Paul Hoeschen as presented.

***AFFIRMATIVE VOTES: Ahles, Hagen, Herberg, Karls, Lommel, Simon, & Simones
Motion passed on a 7 to 0 vote.***

OPEN FORUM

Tudie Hermanutz – 211 1st St W – asked if anybody talked to the Railroad or Stearns County about the railroad crossing at Mill Street. It was determined that contact would be made.

CERTIFICATES OF APPRECIATION – Mayor Herberg recognized Ed Karls, Lloyd Lommel, and Greg Simones for their years of service to the community. Mayor Herberg read a memo wishing them the best of luck and presented them with certificates of appreciation.

Ed Karls – read a statement regarding his closing remarks since he has been on the council. A copy is hereby attached and marked Exhibit F.

ADJOURNMENT – ***Motion by Member Lommel, second by Member Ahles, to adjourn the meeting at 9:16 p.m. Motion carried unanimously.***

**VERENA M. WEBER-CMC
ADMINISTRATOR/CLERK**

**BRIAN HERBERG
MAYOR**