

COUNCIL PROCEEDINGS

June 19, 2007

The City Council of Thief River Falls, Minnesota, met in regular session at 5:21 p.m., on June 19, 2007 in the Council Chambers of City Hall. The following Councilmembers were present: Bendickson, Cullen, Erickson, Holten, Kajewski, Lee, Schmalz, and Mayor Nordhagen. No Councilmembers were absent. Mayor Nordhagen chaired the meeting.

RESOLUTION NO. 6-153-07: APPROVAL OF COUNCIL PROCEEDINGS

The City Council reviewed two sets of Council Proceedings. Following discussion, Councilmember Schmalz introduced Resolution No. 6-153-07, being seconded by Councilmember Cullen, that:

RESOLVED, by the City Council, to approve the June 5, 2007 Council Committee of the Whole Proceedings and the June 12, 2007 Council Proceedings, as presented.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-154-07: APPROVAL OF PAYMENT OF BILLS

Councilmember Lee and Mayor Nordhagen indicated they reviewed the bills prior to the meeting. Following discussion, Councilmember Lee introduced Resolution No. 6-154-07, being seconded by Councilmember Kajewski, that:

RESOLVED, by the City Council, to authorize payment of the second half of June bills in the amount of \$551,238.30 and the June 1 - 15, 2007 prepayments in the amount of \$940,599.06. A printout of the bills approved for payment is attached hereto and made a part hereof.

On vote being taken, the resolution was unanimously passed.

DISCUSSION ON FIREWOOD SUPPLY AT TOURIST PARK

Myles Olson, City Forester, appeared before the City Council and indicated that in response to concerns from campers at the Tourist Park on the restriction of burning only City-supplied firewood, he is currently working with the Occupational Development Center in their pursuit of certification as a qualified wood vendor for the City. No action was taken and this was for informational purposes only.

RESOLUTION NO. 6-155-07: ADOPTING A MODIFICATION TO THE DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 1 AND ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 1-7 THEREIN AND ADOPTING A TAX INCREMENT FINANCING PLAN THEREFORE

Following discussion conducted at the TIF Hearing conducted prior to the Council Meeting, Councilmember Bendickson introduced Resolution No. 6-155-07, being seconded by Councilmember Kajewski, that:

BE IT RESOLVED by the City Council (the "Council") of the City of Thief River Falls, Minnesota (the "City"), as follows:

Section 1. Recitals.

1.01. The City Council of the City of Thief River Falls has heretofore established Development District No. 1 and adopted a Development Program therefore. It has been proposed by the City that the City adopt a Modification to the Development Program for Development District No. 1 (the "Development Program Modification") and establish Tax Increment Financing District No. 1-7 (the "District") therein and adopt a Tax Increment Financing Plan (the "TIF Plan") therefore (the Development Program Modification and the TIF Plan are referred to collectively herein as the "Program Modification and TIF Plan"); all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.124 to 469.134 and Sections 469.174 to 469.1799, all inclusive, as amended, (the "Act") all as reflected in the Program Modification and TIF Plan, and presented for the Council's consideration.

1.02. The City has investigated the facts relating to the Program Modification and TIF Plan and has caused the Program Modification and TIF Plan to be prepared.

1.03. The City has performed all actions required by law to be performed prior to the establishment of the District and the adoption and approval of the proposed Program Modification and TIF Plan, including, but not limited to, notification of Pennington County and Independent School District No. 564 having taxing jurisdiction over the property to be included in the District, a review of and written comment on the Program Modification and TIF Plan by the City Planning Commission, and the holding of a public hearing upon published notice as required by law.

1.04. Certain written reports (the "Reports") relating to the Program Modification and TIF Plan and to the activities contemplated therein have heretofore been prepared by staff and consultants and submitted to the Council and/or made a part of the City files and proceedings on the Program Modification and TIF Plan. These Reports include the TIF Application and Information for the but-for statement, as provided by the developer. The Reports include data, information and/or substantiation constituting or relating to the basis for the other findings and determinations made in this resolution. The Council hereby confirms, ratifies and adopts the Reports, which are hereby incorporated into and made as fully a part of this resolution to the same extent as if set forth in full herein.

1.05. The City is not modifying the boundaries of Development District No. 1, but is however, modifying the Development Program to allow for the establishment of TIF District No. 1-7, therefore.

Section 2. Findings for the Adoption and Approval of the Program Modification and TIF Plan.

2.01. The Council hereby finds that the Program Modification and TIF Plan, are intended and, in the judgment of this Council, the effect of such actions will be, to provide an impetus for development in the public interest and accomplish certain objectives as specified in the Program Modification and TIF Plan, which are hereby incorporated herein.

Section 3. Findings for the Establishment of Tax Increment Financing District No. 1-7.

3.01. The Council hereby finds that Tax Increment Financing District No. 1-7 is in the public interest and is a "housing district" under Minnesota Statutes, Section 469.174, Subd. 11.

3.02. The Council further finds that the proposed development would not occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the Tax Increment Financing Plan, that the Program Modification and TIF Plan conform to the general plan for the development or redevelopment of the City as a whole; and that the Program Modification and TIF Plan will afford maximum opportunity consistent with the sound needs of the City as a whole, for the development or redevelopment of the District by private enterprise.

3.03. The Council further finds, declares and determines that the City made the above findings stated in this Section and has set forth the reasons and supporting facts for each determination in writing, attached hereto as Exhibit A.

Section 4. Public Purpose.

4.01. The adoption of the Program Modification and TIF Plan conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the City which is already built up, to provide housing opportunities, to improve the tax base and to improve the general economy of the State and thereby serves a public purpose. For the reasons described in Exhibit A, the City believes these benefits directly derive from the tax increment assistance provided under the Plan. The developer will receive only the assistance needed to make this development financially feasible. As such, any private benefits received by the developer are incidental and do not outweigh the primary public benefits.

Section 5. Approval and Adoption of the Program Modification and TIF Plan.

5.01. The Program Modification and TIF Plan, as presented to the Council on this date, including without limitation the findings and statements of objectives contained therein, are hereby approved, ratified, established, and adopted and shall be placed on file in the office of the City Administrator.

5.02. The staff of the City, the City's advisors and legal counsel are authorized and directed to proceed with the implementation of the Program Modification and TIF Plan and to negotiate, draft, prepare and present to this Council for its consideration all further plans, resolutions, documents and contracts necessary for this purpose.

5.03 The Auditor of Pennington County is requested to certify the original net tax capacity of the District, as described in the Program Modification and TIF Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased; and the City of Thief River Falls is authorized and directed to forthwith transmit this request to the County Auditor in such form and content as the Auditor may specify, together with a list of all properties within the District, for which building permits have been issued during the 18 months immediately preceding the adoption of this resolution.

5.04. The City Administrator is further authorized and directed to file a copy of the Program Modification and TIF Plan with the Commissioner of the Minnesota Department of Revenue and the Office of the State Auditor pursuant to Minnesota Statutes 469.175, Subd. 4a.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-156-07: APPROVAL OF REQUEST FOR QUALIFICATIONS AND PROPOSALS FOR LEGAL SERVICES

Jodie Torkelson, City Administrator, presented a proposed Request For Qualifications and Proposals for Legal Services. Following discussion, Councilmember Cullen introduced Resolution No. 6-156-07, being seconded by Councilmember Lee, that:

WHEREAS, the City of Thief River Falls has not solicited Requests for Qualifications and Proposals for the City's legal services for many years; and,

WHEREAS, by sending out the Request for Qualifications and Proposals for City services it ensures a periodic review by the City Council and understanding of the services being provided to the City.

THEREFORE, BE IT RESOLVED, to approve the proposed Request For Qualifications and Proposals for Legal Services as developed and to send out

the Request For Qualifications and Proposals to all legal firms within a 90 mile radius.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-157-07: ACCEPTANCE OF CELLULAR TELEPHONE SERVICE WITH ALLTEL THROUGH CELLTECH COMMUNICATIONS

Jodie Torkelson, City Administrator, provided a summary of two cellular telephone service proposals received for cellular phone service for City personnel. Following discussion, Councilmember Lee introduced Resolution No. 6-157-07, being seconded by Councilmember Kajewski, that:

WHEREAS, in response to Resolution No. 4-93-07, Request For Proposals were submitted to the City from Rural Cellular (Unicell) and Celltech Communications (Alltel) for consideration; and,

WHEREAS, after oral presentations by both companies and review of the Request for Proposals by City Staff, it was determined that Celltech Communications (Alltel) submitted the lowest cost-for-service proposal for cellular telephone service and equipment which would reliably serve the needs of the City employees.

THEREFORE, BE IT RESOLVED, by the City Council, that the City of Thief River Falls establish its cellular telephone service with Alltel through Celltech Communications in Thief River Falls.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-158-07: APPROVAL OF PURCHASE OF TWO WASTE-WATER PUMPS FROM QUALITY FLOW, INC.

Arlo Rude, Director of Utilities, provided a summary of bids received for two sewer lift pumps. Following discussion, Councilmember Lee introduced Resolution No. 6-158-07, being seconded by Councilmember Cullen, that:

WHEREAS, pursuant to Resolution No. 5-108-07, the following bids were received and opened on May 22, 2007 for two sewer lift pumps at Lift Station #9:

	<u>One Pump</u>	<u>Two Pumps</u>
Quality Flow, Inc.	\$22,815.00	\$42,183.00
Electric Pump, Inc.	\$37,169.00	\$68,799.00

WHEREAS, Quality Flow, Inc. appears to be the lowest qualified bid.

THEREFORE, BE IT RESOLVED, by the City Council, to accept the bid submitted by Quality Flow, Inc. in the amount of \$42,183.00 for two wastewater sewer pumps. Cost of the pumps shall be funded by Wastewater reserves.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-159-07: APPROVAL TO APPLY FOR A NON-CONTACT COOLING WATER PERMIT FOR POWER PLANT DIESEL GENERATORS

Arlo Rude, Director of Utilities, indicated that the City is required to secure a permit from the MPCA for the power plant diesel generators. Following discussion, Councilmember Lee introduced Resolution No. 6-159-07, being seconded by Councilmember Kajewski, that:

WHEREAS, the City is required to obtain a permit for the non-contact cooling water used to cool the diesel engines at the Power Plant. The water is circulated from the Red Lake River through the heat exchangers and back to the river.

THEREFORE, BE IT RESOLVED, by the City Council, to authorize that the City apply for the five-year Non-Contact Cooling Water Permit for the Power Plant diesel generators from the Minnesota Pollution Control Agency. Cost of the permit is \$350.00 which shall be paid from the electric utility budget.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-160-07: APPOINTMENT OF COUNCILMEMBERS CULLEN, LEE, AND HOLTEN TO NEGOTIATE WITH PENNINGTON COUNTY ON CITY AUDITORIUM, OAKLAND PARK, AND REGIONAL AIRPORT

The City Council discussed the proposals being considered with Pennington County. Following discussion, Councilmember Bendickson introduced Resolution No. 6-160-07, being seconded by Councilmember Kajewski, that:

RESOLVED, by the City Council, to appoint Councilmembers Cullen, Lee, and Holten as City Council representatives to begin negotiations with Pennington County with regard to the proposed sale of the City Auditorium, maintenance of Oakland Park, and the funding of the Regional Airport.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-161-07: ACCEPTANCE OF QUOTES FOR LIBRARY RAILING AND FURNITURE

A summary of quotes prepared by Widseth, Smith, and Nolting for work being done at the Regional Library was reviewed. Following discussion, Councilmember Lee introduced Resolution No. 6-161-07, being seconded by Councilmember Cullen, that:

WHEREAS, pursuant to Resolution No. 5-138-07, the following quotes were received for railing and furniture at the Regional Library:

<u>Furniture:</u>	<u>Chair "A"</u>	<u>Chair "B"</u>	<u>Chair "C"</u>
Brown & Saenger	No Quote	\$185.62	\$195.42
Norby's Work Perks	\$594.00	\$215.00	\$249.00
Tony Dorn, Inc.	\$568.40	\$148.16	\$183.10

(Note: quotes above listed are per each chair cost)

<u>Railing:</u>	
Ram Building Systems, Inc.	\$5,073.00
Maplewood Builders	\$3,730.00

WHEREAS. Tony Dorn, Inc. and Maplewood Builders appear to be the lowest quotes.

THEREFORE, BE IT RESOLVED, by the City Council, to accept the furniture quotes submitted by Tony Dorn, Inc. and the Maplewood Builders for the railing at the Regional Library.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-162-07: ACCEPTANCE OF INFRATECH TECHNOLOGIES QUOTE FOR TELEVISIONING AND CLEANING STORM SEWER

The City Council reviewed quotes received for storm sewer cleaning and televising. Following discussion, Councilmember Schmalz introduced Resolution No. 6-162-07, being seconded by Councilmember Kajewski, that:

WHEREAS, pursuant to Resolution No. 5-127-07, the following quotes were received and opened on June 12, 2007 (the "total" is based upon a maximum of 90 hours of labor and 15,000 feet of storm sewer pipes):

	<u>Clean Storm Sewer</u>	<u>TV Storm Sewer</u>	<u>Total</u>
Infratech Technologies	\$195/hour	\$.62/foot	\$26,850
Veit & Company, Inc.	\$199/hour	\$.60/foot	\$26,910
Midwest Trenchless Tech.	\$175/hour	\$.75/foot	\$27,000
Roto-Rooter Sewer & Drain	\$225/hour	\$.62/foot	\$29,550
Visu-Sewer Clean & Seal	\$320/hour	\$1.07/foot	\$44,850

THEREFORE, BE IT RESOLVED, by the City Council, to accept the low quote submitted by Infratech Technologies in the amount not to exceed \$26,850 (\$195.00 per hour cleaning of storm sewers and \$.62 per foot televising of storm sewers).

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-163-07: APPROVAL TO AMEND THE CITY'S BUSINESS SUBSIDY POLICY

Mike Moore, Community Development Director, presented a Community Development Advisory Board recommendation. Following discussion, Councilmember Lee introduced Resolution No. 6-163-07, being seconded by Councilmember Kajewski, that:

WHEREAS, the City's Business Subsidy Policy and Criteria were adopted by the City Council in September of 2004 by Resolution No. 9-215-04; and,

WHEREAS, the Community Development Advisory Board has reviewed Section 4.02 of the policy; and,

WHEREAS, the Community Development Advisory Board recommends to amend this section to allow for greater flexibility in project development and to satisfy important health and safety issues for businesses.

THEREFORE, BE IT RESOLVED, by the City Council, to accept the Community Development Advisory Board's recommendation to amend Section 4.02 of the Business and Subsidy Policy and Criteria to now read:

A qualified business shall not compete with or displace local businesses currently operating within the jurisdiction of the City of Thief River Falls, unless the qualified business is addressing specific and deteriorating health and safety issues. Locally, the jurisdiction is considered to be a radius of two miles of the existing city boundary.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-164-07: APPROVAL OF COMMUNITY DEVELOPMENT REVOLVING LOAN TO EVERGREEN EATING EMPORIUM

Mike Moore, Community Development Director, presented a Community Development Advisory Board (CDAB) recommendation. Following discussion, Councilmember Cullen introduced Resolution No. 6-164-07, being seconded by Councilmember Erickson, that:

WHEREAS, the Community Development has considered and recommended approval of a loan application to the CDAB from the Evergreen Eating Emporium for Community Development Revolving Loan funds.

THEREFORE, BE IT RESOLVED, by the City Council, to grant Jane Mattson, owner and operator of the Evergreen Eating Emporium, a \$100,000 Community Development Revolving Loan for improvements to the business to address health and safety issues by remodeling the kitchen area to comply with state health requirements. Said loan shall be amortized at three and one-half (3.5%) interest over a five-year (5) period.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-165-07: APPROVAL OF ELK'S CLUB TEMPORARY INTOXICATING LIQUOR LICENSE

The City Council reviewed an application for a temporary intoxicating liquor license from the Elk's Club. Following discussion, Councilmember Lee introduced Resolution No. 6-165-07, being seconded by Councilmember Kajewski, that:

RESOLVED, by the City Council, to grant the Elk's Club a Temporary Intoxicating Liquor License, effective August 31, 2007 through September 2, 2007 at the Pennington County Fairgrounds.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-166-07: CLARIFICATION OF CITY EMPLOYEE FLEXIBLE WORK SCHEDULES

The City Council prepared a clarification to Resolution No. 5-133-07, a resolution establishing City employee work schedule parameters. Following discussion, Councilmember Lee introduced Resolution No. 6-166-07, being seconded by Councilmember Bendickson, that:

WHEREAS, the City retains the full and unrestricted right to operate and manage all manpower, facilities, and equipment; to establish functions and programs; to set and amend budgets; to determine the utilization of technology; to establish and modify the organizational structure; to select, direct, and determine the number of personnel; to establish work schedules; and to perform any inherent function not specifically limited by any bargaining agreements; and,

WHEREAS, the City Division Directors have assured the City Council that all departments will maintain verbal communications with the public between the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday, that there will be no effect on services to the public, and productivity will remain high.

THEREFORE, BE IT RESOLVED, that the City Council authorizes Division Directors to set work schedules within these parameters and that these schedules may be reassessed at any time.

On vote being taken, the resolution was unanimously passed.

2007 STREET, SIDEWALK, AND UTILITIES IMPROVEMENT PROJECT – SCHEDULE “B” BIDS

Ron Lindberg, Public Works Director, presented a bid tabulation of the bids received and opened on June 14, 2007 for Schedule “B” of the 2007 Street, Sidewalk, and

Utilities Improvement Project. This was for information only, noting that the bid shall be awarded at a later date.

RESOLUTION NO. 6-167-07: SUPPORT OF 2007 SPECIAL LEGISLATIVE SESSION TO CONSIDER THE OMNIBUS TAX BILL

Jodie Torkelson, City Administrator, presented a request by the Coalition of Greater Minnesota Cities. Following discussion, Councilmember Lee introduced Resolution No. 6-167-07, being seconded by Councilmember Kajewski, that:

WHEREAS, the Minnesota Legislature, in its 2007 regular session, passed the 2007 Omnibus Tax Bill (House File No. 2268); and,

WHEREAS, the Omnibus Tax Bill contained provisions, including:

- homestead property tax refunds
- increases in local government aid, which would benefit cities, counties, and townships;
- veterans' benefits;
- higher education tuition deductions;
- incentives for farm and business expansion; and,

WHEREAS, the regular legislative session of the 2007 Legislature has now ended; and,

WHEREAS, the Omnibus Tax Bill was vetoed by Minnesota Governor Tim Pawlenty on May 30, 2007; and,

WHEREAS, enactment of the Omnibus Tax Bill would be a great benefit for the taxpayers of Minnesota, especially property taxpayers; and,

WHEREAS, a special session should only be convened if there is a pre-agreed agenda that includes provisions similar to the tax bill passed at the end of the Legislative session, including \$70 million in the Local Government Aid program and no levy limits; and,

WHEREAS, a special session would permit the enactment of the Omnibus Tax Bill.

THEREFORE, BE IT RESOLVED, by the City Council of Thief River Falls, Minnesota, that this City Council requests the Governor of the State of Minnesota, Tim Pawlenty, convene a special legislative session without delay to enact the 2007 Omnibus Tax Bill.

BE IT FURTHER RESOLVED, by the City Council of Thief River Falls, Minnesota, that this City Council urges the Governor and State Legislature to reach an agreement on a tax bill that includes at least \$70 million in the Local

Government Aid program and does not constrict the ability of municipalities to generate revenue for municipal services.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-168-07: ACCEPTANCE OF STAN TVEDT QUOTE FOR TREE STUMP REMOVAL

Madelyn Vigen, Parks and Recreation Director, presented a summary of quotes for tree stump removal. Following discussion, Councilmember Kajewski introduced Resolution No. 6-168-07, being seconded by Councilmember Erickson, that:

WHEREAS, pursuant to Resolution No. 6-147-07, the following quotes were received for tree stump removal services:

	Stump Grinding <u>Only</u>	Stump Grinding <u>with clean-up</u>	Stump Grinding <u>with clean-up & fill</u>
Stan Tvedt	\$1.00/inch	\$1.50/inch	\$1.75/inch
Jarod Wilde	\$1.50/inch	\$2.25/inch	\$2.50/inch

THEREFORE, BE IT RESOLVED, by the City Council, to accept the low quote submitted by Stan Tvedt for tree stump removal services, effective July 1, 2007 through June 30, 2007.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 6-169-07: RESOLUTION IN SUPPORT OF CAPITAL BUDGET REQUEST TO THE STATE OF MINNESOTA FOR AN AQUATIC CENTER AND PEDESTRIAN AND BICYCLE PATHWAY SYSTEM

The City Council considered requesting financial support from the State of Minnesota for proposed projects. Following discussion, Councilmember Lee introduced Resolution No. 6-169-07, being seconded by Councilmember Cullen, that:

WHEREAS, the City of Thief River Falls recognizes that a vigorous, growing population is necessary for a community's economic health;

WHEREAS, the City has many significant needs for quality of life enhancements in order to continue to attract employees to our growing community;

WHEREAS, the City is ranked 49 out of 50 in taxable tax capacity for Minnesota cities with a population between 5,000 – 10,000 which makes providing such enhancements financially difficult; and,

WHEREAS, completion of the Multi-Events Center's Phase II (aquatic center) and the addition of pedestrian and bicycle pathways are the two main priorities for quality of life enhancements not only for the city but for the entire region.

THEREFORE, BE IT RESOLVED, that the City of Thief River Falls requests financial support from the State for these two projects through the Capital Budget process.

BE IT FURTHER RESOLVED, that the aquatic center is the first priority and the pedestrian and bicycle pathway system is the second priority.

On vote being taken, the resolution was unanimously passed.

RECESS

A five-minute recess was taken at this time.

It should be noted that Mayor Nordhagen relinquished the Chair to Vice-Mayor Cullen at this time.

BUDGET DISCUSSIONS

The City Council conducted a review of the following proposed 2008 budgets: Sanitation Department and Airport.

ADJOURNMENT

There being no further discussion, Councilmember Schmalz moved, being seconded by Councilmember Kajewski, to adjourn the meeting at 6:52 p.m. On vote being taken, the Chair declared the motion unanimously carried and the meeting adjourned until 6:00 p.m. on June 20, 2007 in East Grand Forks for a Tri-Cities meeting.

Steve Nordhagen, Mayor

Attest: _____
Jodie R. Torkelson, City Administrator