

COUNCIL PROCEEDINGS

April 15, 2008

The City Council of Thief River Falls, Minnesota, met in regular session at 5:00 p.m. on April 15, 2008 in the Council Chambers of City Hall. The following Councilmembers were present: Bendickson, Cullen, Erickson, Holten, Kajewski, Lee, Schmalz, and Nordhagen. No Councilmembers were absent. Mayor Nordhagen chaired the meeting.

PROCLAMATIONS

- A "Poppy Proclamation" was presented to the Mayor for signature from the Veterans of Foreign Wars. The wearing of a "buddy poppy" is evidence of gratitude for the men and women who have risked their life in defense of the freedom of our country.
- An "Arbor Day" Proclamation was presented to the Mayor for signature, proclaiming that Thursday, April 24, 2008 shall be observed as Arbor Day in the City of Thief River Falls. Arbor Day celebrates the importance of trees in a community.

APPROVAL OF AGENDA

Councilmember Bendickson motioned, being seconded by Councilmember Kajewski, to approve the agenda with the addition of one item and amendment to a proposed action item. On vote being taken, the motion was unanimously approved and the agenda adopted.

RESOLUTION NO. 4-87-08: APPROVAL OF COUNCIL PROCEEDINGS

Presented as part of the Consent Agenda, Councilmember Lee introduced Resolution No. 4-87-08, being seconded by Councilmember Cullen, that:

RESOLVED, by the City Council, to approve the April 1, 2008 Council Proceedings as presented.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 4-88-08: APPROVAL OF PAYMENT OF BILLS

Presented as part of the Consent Agenda, Councilmember Lee introduced Resolution No. 4-88-08, being seconded by Councilmember Cullen, that:

RESOLVED, by the City Council, to authorize payment of the bills and disbursements in the total amount of \$1,024,275.26. A printout of the approved payments and disbursements is attached hereto and made a part hereof.

On vote being taken, the resolution was unanimously passed.

**RESOLUTION NO. 4-89-08: APPROVAL OF ELECTRIC RATE INCREASE
EFFECTIVE WITH MAY 2008 BILLING**

A Public Utilities Committee and Budget/Finance Committee recommendation was presented. Following discussion, Councilmember Erickson introduced Resolution No. 4-89-08, being seconded by Councilmember Cullen, that:

RESOLVED, by the City Council, to accept a Public Utilities Committee and a Budget/Finance Committee recommendation, to approve the following electric rate adjustments, effective with the May 2008 billing:

State Sales Tax: Where applicable, the rates shown below are subject to State sales tax.

Customer Charge: The customer charge is the minimum charge and is in addition to any energy used.

Power Factor Correction: When required by the City, the customer shall provide power factor correction as follows.

Power Factor: The customer shall at all times take and use power in such a manner that the average power factor shall be as near 100% as possible.

1. After the customer's power factor has been determined by the City, the City will not be obligated to take additional readings until the customer has taken action to correct his power factor.
2. The City may take power factor readings at its discretion.
3. The customer shall correct the power factor to a minimum of 95%.

Power Factor Correction Charge:

Power Factor Below 95%. Any establishment where the power factor is below 95% will be required to correct same to a minimum of 95%. An additional charge will be added to the customer's monthly bill according to the following until the correction has been made:

95% to 100% P.F.	No additional charge
85% through 94% P.F.	4% additional charge
0 through 84% P.F.	5% additional charge

Transformer discount: A customer who owns a transformer metered at primary voltage may receive a 1% (one percent) discount off the net billing for service.

Determination of Rate: As provided by City Ordinance, the City shall determine the rate at which a customer is served. The City may combine multiple meter readings into one reading and treat the combined reading as one meter. The City may use submeters and subtract meter readings and treat the readings as a separate meter.

ELECTRIC RATES

Rate R1. Electric Residential Service - All Purpose Uncontrolled.

A. Availability. The following rate shall be charged and collected for the use of electricity for light and power in private residences and in all flats and rooms used solely for private residence purposes on an uncontrolled basis (without a City provided load control device).

B. Rate No. R1 (Software Billing No. 1)

Customer Charge: \$5.00 per month

Energy Charge:

For the first 1,500 KWH's per month 6.260 cents/KWH

Excess KWH's per month 7.070 cents/KWH

Rate R3. Electric Residential Service - Dual Fuel - 100% Controlled.

A. Availability. Available to all present and future space heating with/without electric water heater installations. In order to qualify for Rate R3, 100% interruptible electric heating rate, the customer must agree that electric heat and electric water heater shall be controlled on an interruptible basis without notice and that the customer shall have an alternate source of heat acceptable to the City. The alternate heating source shall heat the residence for an indefinite period of time.

B. Rate No. R3 (Software Billing No. 3)

Winter Months (Bills due in November, December, January, February, March, April, May and June)

Customer Charge: \$5.00 per month

Energy Charge: (With load control - 100%)

For the first 1000 KWH's per month 6.260 cents/KWH

Excess KWH's per month 4.040 cents/KWH

Summer Months (Bills due in July, August, September and October)
The rate shall be Rate R1.

Rate R4. Electric Residential Service - Residential Heating Dual Fuel - 100% Controlled - Separately Metered.

A. Available to all present and future space heating installations that are separately metered. In order to qualify for Rate R4, 100% interruptible electric heating rate, the customer must agree that electric heat and electric water heaters shall be controlled on an interruptible basis without notice and that the customer shall have an alternate source of heat acceptable to the City. The alternate heating source shall heat the residence for an indefinite period of time. This meter may be a submeter.

B. Rate No. R4 (Software Billing No. 4)

Customer Charge: None

Energy Charge: (With load control - 100%)

All KWH's per month 4.040 cents/KWH

Rate CH3. Commercial Heat - 100% Controlled

A. Availability. Available only for customers with electricity as the primary heat source. Available to commercial heating service installation supplied through a separate meter for the use of electric energy in all establishments other than that used solely for residential purposes.

B. Rate No. CH3 (Software Billing No. 13, 30)

Winter months (Bills due in November, December, January, February, March, April, May and June)

Customer Charge: \$12.75 per month

Energy Charge: (With 100% Load Control)

All KWH's per month 4.040 cents/KWH

Summer Months (Bills due in July, August, September and October)

The rate shall be Rate C1.

Rate C1. Commercial - General Service

A. Availability. Available to commercial customer for single phase or three phase electric service supplied through one meter. For the use of electric energy in all churches and in all buildings, stores, offices, manufacturing plants, and other places occupied for business or commercial and manufacturing purposes and for any other use other than residential.

B. Rate No. C1 (Software Billing No. 14)

Customer Charge: \$12.75 per month

Energy Charge:
For the First 1000 KWH's per month 7.310 cents/KWH
Excess KWH's per month 6.170 cents/KWH

Rate CG1. Commercial, with Standby Generation.

- A. Availability. Available in the City to any commercial, industrial, and institutional customer for single or three phase electric service supplied through one meter. For the use of electric energy in all churches and in all buildings, stores, offices, manufacturing plants, and other places occupied for business or commercial and manufacturing purposes and for any use other than residential.
- B. To qualify, the customer shall provide:
- 1) A standby generator sized to provide capacity sufficient to supply the power and energy for the customer's total electric load;
 - 2) The customer's load factor shall be acceptable to the City;
 - 3) The customer's generator shall be controlled by a load control device furnished by the City and installed by the customer at the direction of the City.
 - 4) The generator shall be sized and capable of providing the customers energy for an indefinite amount of time.
 - 5) The customer shall be billed for any coincidental demand the customer has connected.

C. Rate No. CG1 (Software Billing No. 19, 20, and 25)

Customer Charge: \$12.75 per month

Coincidental Demand:
Winter demand \$6.50/KW
Summer demand \$4.10/KW

Energy Charge: All KWH's per month 4.500 cents/KWH

Coincidental Billing Demand:
Winter: In no month shall the demand to be billed be less than the greatest demand in kilowatts registered from November 20 through March 20 during Northern Municipal Power Agency and Minnkota Power

Rate I2. Industrial - Controlled

- A. Availability. Closed to new installations. Available in the City to any commercial, industrial, and institutional customer as single business establishments for all power and lighting requirements, when all service hereunder is provided through one meter to determine the general service demand, annual system coincidental billing peak demand and energy, all at a single point of entry.
- B. Applicable. To commercial, industrial, and institutional customers for combined lighting and power purposes. Service will be rendered for combined lighting and power purposes. Service will be rendered at the utility system standard secondary voltage, three phase, or at primary voltage designated by the utility system at the service voltage available in the area for the size of load to be served. Special voltage transformers for lighting and other purposes shall be owned and maintained by the customer. Load control receivers will be furnished by the City and installed by the customer.
- C. Rate No. I2 (Software Billing No. 17, 18, 19, 35, 36, and 37).
(Closed to new installations)

Customer Charge: \$ 12.750 per month

General Service Demand - Uncontrolled \$0.29/KW

Coincidental Demand:

Winter Demand \$6.50/KW

Summer Demand \$4.10/KW

Energy Charge: All KWH's per month 3.900 cents/KWH

General Service Demand - Uncontrolled: The maximum demand in kilowatts for billing purposes shall be the greatest 15 minutes demand load during the billing period for which the bill is rendered.

Coincidental Billing Demand:

Winter Demand: In no month shall the demand to be billed be less than the maximum demand in kilowatts registered from November 20 through March 20 during Northern Municipal Power Agency and Minnkota Power Cooperative, Inc.'s coincidental billing demand periods. To be in effect for one year from March 20th to March 19th of the following year.

Summer Demand: In no month shall the demand to be billed be less than the greatest demand in kilowatts registered from March 20 through November 20 during Northern Municipal Power Agency and Minnkota

Power Cooperative, Inc.'s controlled coincidental billing demand periods. To be in effect for one year from March 20th to March 19th of the following year.

- D. Primary Service Discount. Customer's receiving service at primary distribution voltage may receive a 2% (two percent) discount off the net billing for service.
- E. Power Factor Correction. Power Factor Correction can be required as described above.

Rate I3. Industrial

- A. Availability. Available in the City to any commercial, industrial, and institutional customer as single business establishments for all power and lighting requirements.
- B. Applicable. To commercial, industrial, and institutional customers for combined lighting and power purposes. Service will be rendered for combined lighting and power purposes. Service will be rendered at the utility system standard secondary voltage, three phase, or at primary voltage designated by the utility system at the service voltage available in the area for the size of load to be served. Special voltage transformers for lighting and other purposes shall be owned and maintained by the customer.
- C. Rate No. I3 (Software Billing No. 19, 22, 24, 37, 38, and 39).

Customer Charge:	\$ 12.75 per month
General Service Demand	\$1.18/KW
Controlled Coincidental Demand:	
Winter demand	\$6.50
Summer demand	\$4.10/KW

Energy Charge: All KWH's per month 4.250 cents/KWH

General Service Demand: The maximum demand in kilowatts for billing purposes shall be the greatest 15 minutes demand load during the billing period for which the bill is rendered.

Coincidental Billing Demand:

Winter Demand: In no month shall the demand to be billed be less than the maximum demand in kilowatts registered from November 20 through March 20 during Northern Municipal Power Agency and Minnkota Power

Cooperative, Inc.'s coincidental billing demand periods. To be in effect for one year from March 20th to March 19th of the following year.

Summer Demand: In no month shall the demand to be billed be less than the greatest demand in kilowatts registered from March 20 through November 20 during Northern Municipal Power Agency and Minnkota Power Cooperative, Inc.'s controlled coincidental billing demand periods. To be in effect for one year from March 20th to March 19th of the following year.

- D. Primary Service Discount. Customers receiving service at primary distribution voltage may receive a 2% (two percent) discount off the net billing for service.
- E. Power Factor Correction. Power Factor Correction can be required as described above

Rate IH1. Industrial Electric Heat Rate.

A. Availability. Available in the City to any customer with an annual electric heat usage of one million KWHs or more. If one million KWHs are not used, the customer shall have the option of paying on the basis of Rate CH3 or paying for one million kilowatt hours on this rate or the City may waive the one million KWHs on this rate. The electric heat must be 100% controlled and shall switch to an alternate fuel or heating during control periods. Service will be rendered at the utility system standard voltage or at primary voltage.

B. Rate No. IH1 (Software Billing No. 21)

Customer Charge:	\$12.750 per month
Energy Charge: For KWHs	3.140 cents/KWH

Summer Months (Bills due in July, August, September and October)
The rate shall be Rate C1.

Automatic Protective Lighting

A. Availability. The City will install and maintain luminaries upon private or public property for the purpose of protective lighting for a customer at the discretion of the City. The installation of the cable, pole and controls not on the luminaire are the responsibility of the customer.

The City shall bill the customer the cost of labor and such material that is not part of the luminaire and mounting arm for the luminaire.

<u>DESIGNATION OF LAMPS</u>	<u>MONTHLY CHARGE</u>
175 Watt Mercury Vapor	\$ 4.65
250 Watt Mercury Vapor	\$ 9.33
100 Watt High Pressure Sodium	\$ 5.50
150 Watt High Pressure Sodium	\$ 7.00
250 Watt High Pressure Sodium	\$11.00
400 Watt High Pressure Sodium	\$15.00

B. Alternatives. Other sizes and types may be available upon request. Prices shall be established by the Utilities Committee as per recommendation of the Director of Utilities. Only high-pressure sodium luminaries shall be available for new protective lighting.

On vote being taken, the resolution was unanimously passed.

**RESOLUTION NO: 4-90-08: APPROVAL OF ELECTRIC DEPARTMENT 2008
BUDGET ADJUSTMENTS**

A Budget/Finance Committee recommendation was presented. Following discussion, Councilmember Bendickson introduced Resolution No. 4-90-08, being seconded by Councilmember Kajewski, that:

WHEREAS, the figures that appear in the 2008 budget for electric sales and purchased power need to be revised; and,

WHEREAS, the Budget and Finance Committee has recommended adjustments to the Electric Department 2008 budget.

THEREFORE, BE IT RESOLVED, that the City Council approves the Budget and Finance Committee recommendation to adjust the 2008 Electric Utility Department Fund as follows:

	2008 Approved	2008 Calculation	2008 Adjusted		2008 Proposed
REVENUES	<u>Budget</u>	<u>Corrections</u>	<u>Budget</u>	<u>Adjustments</u>	<u>Budget</u>
Electric Sales	8,336,179	(414,581)	7,921,598	478,119	8,399,717
Miscellaneous Revenues	404,270		404,270		404,270
TOTAL REVENUE	8,740,449	(414,581)	8,325,868	478,119	8,803,987
 DIRECT EXPENSES					
Purchased Power	5,882,102	278,717	6,160,819		6,160,819
Payroll Expense-Oper. & Maint.	1,341,625		1,341,625	(60,269)	1,281,356

Operating Expenses	572,092		572,092	(76,525)	495,567
Depreciation Expense	393,070		393,070		393,070
TOTAL EXPENSES	8,188,889	278,717	8,467,606	(136,794)	8,330,812
NET INCOME (LOSS)	551,560	(693,298)	(141,738)	614,913	473,175
BALANCE SHEET BUDGET ITEMS:					
Add: Depreciation Book Value	393,070		393,070		393,070
Customer Loans - Net	10,000		10,000		10,000
Water Dept. Loan - Principal	28,581		28,581		28,581
Less: General Plant Capital Outlay	(150,000)		(150,000)	124,000	(26,000)
Capital Projects - Inventory	(186,000)		(186,000)		(186,000)
Capital Projects - Payroll	(127,850)		(127,850)		(127,850)
Transfers to General Fund	(500,000)		(500,000)		(500,000)
TRANSFER TO (USE OF) FUND RESERVES	19,361	(693,298)	(673,937)	738,913	64,976

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 4-91-08: APPROVAL OF QUOTE FROM THIEF RIVER FORD FOR 2008 F-150 FORD TRUCK

Public Utilities Director Rude presented the City Council with quotes obtained for the purchase of a truck for the Wastewater Department. Following discussion, Councilmember Cullen introduced Resolution No. 4-91-08, being seconded by Councilmember Schmalz, that:

RESOLVED, by the City Council, to accept the low quote submitted by Thief River Ford in the amount of \$19,805.00 plus tax for the purchase of a 2008 Ford F-150 truck for use in the Wastewater Department.

Two other quotes were received: Northern Motors in the amount of \$21,843.53 and Thane Hardware Polar Chevrolet (state bid) in the amount of \$19,808.00.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 4-92-08: APPROVAL TO CERTIFY DELINQUENT MOBILE HOME UTILITY BILLS TO PENNINGTON COUNTY AUDITOR

A recommendation was presented to the City Council by Billing Office Manager/Data Processing Manager Froiland. Following discussion, Councilmember Lee introduced Resolution No. 4-92-08, being seconded by Councilmember Bendickson, that:

BE IT RESOLVED, to certify the following delinquent utility bills (mobile homes) to the Pennington County Auditor for collection as part of the owner's 2008 property tax:

Parcel No. 25.091.442.01	\$669.66
Parcel No. 25.091.440.01	\$477.35

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 4-93-08: APPROVAL OF PURCHASE OF LAND NORTH OF CITY HALL

The City Council reviewed information with regard to the purchase of land immediately north of City Hall. Following discussion, Councilmember Cullen introduced Resolution No. 4-93-08, being seconded by Councilmember Kajewski, that:

WHEREAS, Canadian Pacific Railway desires to sell land it owns north of and adjacent to City Hall; and,

WHEREAS, the land is approximately 345' x 140' and includes an empty lot and land occupied by buildings owned by Quality Farms and Northern Pride; and,

WHEREAS, the City of Thief River Falls currently uses portions of that land for overflow parking for City Hall and desires to retain use of the land for that and other future purposes.

THEREFORE, BE IT RESOLVED, that the City of Thief River Falls agrees to purchase property, as mapped on Exhibit "A" attached, from Canadian Pacific Railway for \$1.51 per square foot following a survey of the land by the City.

BE IT FURTHER RESOLVED, that the leases currently in effect for Quality Farms and Northern Pride will be transferred from Canadian Pacific Railway to the City.

BE IT FURTHER RESOLVED, that the Mayor and City Administrator are authorized to execute any documentation necessary to complete this sale.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 4-94-08: RESOLUTION ACCEPTING THE RESIGNATION OF DIANE TORBLAA, BILLING OFFICE CLERK

Public Utilities Director Rude presented a letter of retirement from a Billing Office Clerk. Following discussion, Councilmember Lee introduced Resolution No. 4-94-08, being seconded by Councilmember Bendickson, that:

RESOLVED, by the City Council, to accept the retirement of Diane Torblaa, Billing Office Clerk, effective June 6, 2008, and thank her for her years of service.

BE IT FURTHER RESOLVED, to open and advertise the vacant position to the public for filling through the Minnesota Job Service.

On vote being taken, the resolution was unanimously passed.

RECESS OF MEETING

At 5:35 p.m., the City Council recessed the meeting until 7:30 p.m. to conduct a 2008 Street, Sidewalk, and Utilities Improvement Project Hearing.

MEETING RESUMED

At 8:05 p.m., after completion of the 2008 Street, Sidewalk, and Utilities Improvement Project Hearing, the City Council continued the regular council meeting.

RESOLUTION NO. 4-95-08: RESOLUTION ORDERING THE 2008 STREET, SIDEWALK, AND UTILITIES IMPROVEMENT PROJECT AND PREPARATION OF PLANS AND SPECIFICATIONS

Following review and discussion of the information presented at the 2008 Street, Sidewalk, and Utilities Improvement Project hearing, Councilmember Kajewski introduced Resolution No. 4-95-08, being seconded by Councilmember Schmalz, that:

WHEREAS, pursuant to Resolution No. 3-76-08, adopted on March 18, 2008 a date was established to conduct a public hearing on the following proposed assessments:

- 1) Willow Court Street Construction;
- 2) LaBree Avenue and 12th Street Construction – 11th Street to 13th Street and East of Main Avenue;
- 3) South 10th Street Utilities and Street Construction from Alice Drive to Tindolph Avenue;
- 4) Kneale Avenue Water Main Replacement and Street Improvements from 1ST Street to Nora Street;
- 5) Brooks Avenue Bituminous Reclaim and Paving from 3rd Street to 6th Street;

- 6) Eastwood Drive Excavation and Aggregate Backfill;
- 7) Miscellaneous Sidewalk Repairs; and,
- 8) Greenwood Street Bridge Approach Construction and Utilities Improvements – Oakland Park Road to Pennington Avenue.

WHEREAS, ten days' mailed notice and two weeks' published notice of the hearing was given, the hearing was held at 7:30 p.m. on the 15th day of April, 2008 at which time all persons desiring to be heard were given an opportunity to be heard thereon.

THEREFORE, BE IT RESOLVED, by the City Council, that:

- 1) Such improvements are necessary, cost-effective, and feasible as detailed in the Feasibility Report;
- 2) Such improvements are hereby ordered as proposed, with the exception to remove improvements proposed for the north side of the 1200 block of LaBree;
- 3) The Engineering Technical Services Division shall assist Widseth, Smith, & Nolting, as the designated engineers for these improvements. They shall prepare plans and specifications for the making of such improvements; and,
- 4) The City Council declares its official intent to provide interim financing of the improvements through the use of reserves and/or outside funding.

On vote being taken, the resolution was unanimously passed.

COUNCIL BOARDS AND COMMISSIONS REPORTS

- Capital Acquisitions – Emery Lee;
- Budget/Finance – Conrad Holten;
- Long Range Planning/Annexation – Ken Schmalz
- Personnel/Labor – Glen Kajewski

UPCOMING MEETINGS

- City Council Meeting as the Board of Appeal and Equalization – April 22, 2008 at 5:00 p.m.
- City Council Meeting – May 6, 2008 at 5:00 p.m.
- Administrative Services Committee Meeting – May 12, 2008
- Public Works Committee Meeting – May 14, 2008
- Utilities Committee Meeting – May 15, 2008
- Parks and Recreation/Public Safety Committee Meeting – May 19, 2008

INFORMATIONAL ITEMS

- Arbor Day Tree Planting Ceremony – April 24, 2008 at 1:00 p.m. at Northrop Park.
- Capital for a Day – May 13, 2008

ADJOURNMENT

There being no further discussion, Councilmember Cullen moved, being seconded by Councilmember Schmalz, to adjourn the meeting at 8:14 p.m. On vote being taken, the Chair declared the motion unanimously carried and the meeting adjourned.

Steve Nordhagen, Mayor

Attest: _____
Jodie R. Torkelson, City Administrator