

COUNCIL PROCEEDINGS

February 17, 2009

The City Council of Thief River Falls, Minnesota, met in regular session at 5:00 p.m. on February 17, 2009 in the Council Chambers of City Hall. The following Councilmembers were present: Bendickson, Cullen, Erickson, Holten, Kajewski, Lee, Schmalz, and Mayor Nordhagen. Mayor Nordhagen chaired the meeting.

APPROVAL OF AGENDA

Councilmember Kajewski motioned, being seconded by Councilmember Cullen, to approve the agenda as presented. On vote being taken, the motion was unanimously approved and the agenda adopted.

RESOLUTION NO. 2-29-09: APPROVAL OF COUNCIL PROCEEDINGS

Presented as part of the Consent Agenda, Councilmember Bendickson introduced Resolution No. 2-29-09, being seconded by Councilmember Schmalz, that:

RESOLVED, by the City Council, to approve the February 3, 2009 Council Proceedings and the February 4, 2009 Adjourned Council Proceedings as presented.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 2-30-09: APPROVAL OF PAYMENT OF BILLS

Presented as part of the Consent Agenda, Councilmember Bendickson introduced Resolution No. 2-30-09, being seconded by Councilmember Schmalz, that:

RESOLVED, by the City Council, to authorize payment of bills and disbursements in the total amount of \$1,518,183.38. 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. 2-31-09: APPROVAL OF PROGRESSION RAISE FOR VERN WITTENBERG, PATROL OFFICER

Presented as part of the Consent Agenda, Councilmember Bendickson introduced Resolution No. 2-31-09, being seconded by Councilmember Schmalz, that:

RESOLVED, by the City Council, to accept a Public Safety Committee recommendation to grant Vern Wittenberg, Patrol Officer, a progression raise. Mr. Wittenberg shall progress to Step 6 of the Grade Level 6 LELS Patrol Officer salary schedule (Appendix A), effective February 22, 2009.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 2-32-09: APPROVAL OF PROGRESSION RAISE FOR JOHN CERVANTES, PUBLIC WORKS MAINTENANCE (STREET/SANITATION) EMPLOYEE

Presented as part of the Consent Agenda, Councilmember Bendickson introduced Resolution No. 2-32-09, being seconded by Councilmember Schmalz, that:

RESOLVED, by the City Council, to accept a Public Works Committee recommendation to grant John Cervantes, Public Works Maintenance (Street/ Sanitation) employee, a progression raise. Mr. Cervantes shall progress to Step 4 of the Grade Level 4 Teamster salary schedule (post 2006 hire), retroactive to February 4, 2009.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 2-33-09: ACCEPTANCE OF 2008 FORESTRY REPORT

Presented as part of the Consent Agenda, Councilmember Bendickson introduced Resolution No. 2-33-09, being seconded by Councilmember Schmalz, that:

WHEREAS, Myles Olson, City Forester, presented the 2008 Forestry Report to the City Council.

THEREFORE, BE IT RESOLVED, by the City Council, to accept the 2008 Forestry Report as presented.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 2-34-09: APPROVAL OF APPOINTMENT OF ARLO RUDE AS DIRECTOR AND BARRY FROILAND AS ADVISOR TO THE NORTHERN MUNICIPAL POWER AGENCY

A Public Utilities Committee recommendation was presented. Following discussion, Councilmember Schmalz introduced Resolution No. 2-34-09, being seconded by Councilmember Cullen, that:

RESOLVED, by the City Council, to accept a Public Utilities Committee recommendation and appoint Arlo Rude as Director and Barry Froiland as Advisor to the Northern Municipal Power Agency, with terms effective June 1, 2009 through May 31, 2010.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 2-35-09: APPROVAL OF AGREEMENT WITH TOWNSHIP OF NORTH TO FURNISH ELECTRICITY FOR STREET LIGHTING ALONG PORTION OF 140TH AVENUE NORTHEAST

A Public Utilities Committee recommendation was presented. Following discussion, Councilmember Lee introduced Resolution No. 2-35-09, being seconded by Councilmember Bendickson, that:

WHEREAS, the Township of North has requested that the City provide electrical services to street lighting along a portion of 140th Avenue Northeast; and,

WHEREAS, the Township of North shall inform the City of the property owners benefitting from the street lighting, whom the City shall bill monthly for such service. The Township of North has agreed to assume and pay for the energy costs associated with any unpaid electrical bill remaining unpaid on a quarterly basis.

RESOLVED, by the City Council to accept a Public Utilities Committee recommendation to authorize and direct the Mayor and City Administrator to execute an agreement between the City of Thief River Falls and the Township of North whereby the City shall furnish electrical services for street lighting on 140th Avenue Northeast from its intersection with the North border line of the City to a point approximately 6200 feet north.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 2-36-09: APPROVAL OF CREDIT CARD CONVENIENCE FEE FOR PAYMENT OF UTILITY BILL

A Public Utilities Committee recommendation was presented. Following discussion, Councilmember Lee introduced Resolution No. 2-36-09, being seconded by Councilmember Kajewski, that:

WHEREAS, the City Utilities Billing Office accepts credit card payments for all charges, including at the counter, by telephone, and online for the payment of utility charges; and,

WHEREAS, in 2008 the City paid \$7,736 of fees, based on usage, for processing fees and transaction costs associated with handling credit card payments.

THEREFORE, BE IT RESOLVED, to accept a Public Utilities Committee recommendation, effective immediately, to implement a three percent (3%) convenience fee, charged to the utilities customer paying by credit card.

On vote being taken, the resolution was unanimously passed.

**RESOLUTION NO. 2-37-09: APPROVAL OF ELECTRIC RATE INCREASE
EFFECTIVE WITH APRIL 2009 BILLING**

Arlo Rude, Director of Utilities, presented information regarding an electric rate adjustment. Following discussion, Councilmember Lee introduced Resolution N. 2-37-09, being seconded by Councilmember Bendickson, 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 April 2009 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:	\$5.60 per month
Energy Charge:	
For the first 1,500 KWH's per month	7.010 cents/KWH
Excess KWH's per month	7.920 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: \$5.60 per month

Energy Charge: (With load control - 100%)

For the first 1000 KWH's per month	7.010 cents/KWH
Excess KWH's per month	4.320 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 4.320 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: \$14.30 per month

Energy Charge: (With 100% Load Control)

All KWH's per month 4.320 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: \$14.30 per month

Energy Charge:
For the First 1000 KWH's per month 8.190 cents/KWH
Excess KWH's per month 6.910 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: \$14.30 per month

Coincidental Demand:
Winter demand \$7.35/KW
Summer demand \$4.63/KW

Energy Charge: All KWH's per month 4.820 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

- E. Power Factor Correction. Power Factor Correction may be required as described above.

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: \$ 14.30 per month

General Service Demand - Uncontrolled \$0.32/KW

Coincidental Demand:

Winter Demand \$7.35/KW

Summer Demand \$4.63/KW

Energy Charge: All KWH's per month 4.370 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: \$ 14.30 per month

General Service Demand \$1.32/KW

Controlled Coincidental Demand:

Winter demand \$7.35/KW

Summer demand \$4.63/KW

Energy Charge: All KWH's per month 4.760 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:	\$14.30 per month
Energy Charge: For KWHs	3.36 cents/KWH

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

Rate E1. Geothermal System Rate.

- A. Availability. The following rate shall be charged and collected for the use of electricity for power to operate a separately metered geothermal

system. This meter may be submeter. (Without a City provided load control device).

B. Rate No. E1 (Software Billing No. 8, 9, and 19)

Customer Charge: \$2.25 per month

Coincidental Demand:

Winter demand \$7.35/KW

Summer demand \$4.63/KW

Energy Charge: All KWH's per month 3.920 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 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.

Summer: 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.

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	\$ 6.11
250 Watt Mercury Vapor	\$10.55
100 Watt High Pressure Sodium	\$ 6.20
150 Watt High Pressure Sodium	\$ 7.85
250 Watt High Pressure Sodium	\$12.64
400 Watt High Pressure Sodium	\$16.61

- 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. 2-38-09: APPROVAL TO DECLARE OLD SAFETY VESTS AS SURPLUS PROPERTY AND DONATE THE VESTS TO THE BOY SCOUTS

A Public Safety Committee recommendation was presented. Following discussion, Councilmember Lee introduced Resolution No. 2-38-09, being seconded by Councilmember Schmalz, that:

RESOLVED, by the City Council, to accept the Public Safety Committee's recommendation to declare 15 orange traffic safety vests as surplus property and to donate those vests to the Boy Scouts of Thief River Falls.

BE IT FURTHER RESOLVED, that the City of Thief River Falls shall not incur any expense in the delivery of the vests and that a Release Document shall be signed which holds the City harmless and that all applicable state and federal rules shall be followed.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 2-39-09: APPROVAL OF 2008 BUDGET ADJUSTMENTS

Finance Director, Lisa Johnson, presented information to the City Council regarding the 2008 Budget Adjustments. Following discussion, Councilmember Cullen introduced Resolution No. 2-39-09, being seconded by Councilmember Kajewski, that:

RESOLVED, by the City Council, to accept the Administrative Services Committee recommendation to adjust the following General Fund revenue and expenditure budget accounts to reflect actions taken or not taken by the City Council on major unbudgeted items in 2008:

The following represents revenue and expenditure budget accounts that should be adjusted to reflect major unbudgeted items for 2008.

GENERAL FUND

Adopted 2008 General Fund Budget Balance \$ 43,050

POLICE RELIEF ASSOCIATION CONTRIBUTION – During the audit, the auditors recommended accounting for the city contribution to the Police Relief Association as a transfer of funds instead of depositing tax levy and state aid dollars directly into the fund.

10.10.3101	Current Ad Valorem Taxes	\$ 13,080
10.30.3340	Market Value Homestead Credit	\$ 1,470
10.30.3349	Misc. State Grants	\$ 3,100
10.4210.475	Police – Relief Association Contribution	\$ (17,650)

LOCAL GOVERNMENT AID – UNALLOTMENT – The Governor unallotted the City’s December 26th Local Government Aid payment.

10.30.3341	Local Government Aid	\$ (166,246)
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STATE FIRE AID/CONTRIBUTION TO FIRE RELIEF ASSOCIATION – The city of Thief River Falls received less State Fire Aid than anticipated which also then reduces the contribution that is made to the Fire Relief Association.

10.30.3347	State Fire Aid	\$ (15,873)
10.4670.450	Fire – Relief Association Contribution	\$ 15,873

FIRE DEPARTMENT – DONATIONS – The Fire Department received a donation from the Volunteer Fire Department for the purchase of a 2000 Chevrolet pickup.

10.62.3625	Private Donations	\$ 5,000
10.4220.540	Fire – Machinery & Equipment	\$ (5,000)

FIRE DEPARTMENT – DNR GRANT – The Fire Department received a matching funds grant from the Minnesota Department of Natural Resources for the purchase of miscellaneous fire equipment.

10.30.3347	State Fire Aid	\$ 1,200
10.4220.240	Fire – Small Tools & Minor Equipment	\$ (1,200)

FIRE DEPARTMENT – STATE FARM GRANT – The Fire Department received a grant from State Farm Insurance for the purchase of training equipment.

10.62.3625	Private Donations	\$ 500
10.4220.240	Fire – Small Tools & Minor Equipment	\$ (500)

FIRE DEPARTMENT – SCBA ANNUAL TRANSFER – The revolving capital outlay transfer for the Fire Department Self Contained Breathing Apparatus should have been an Operating Transfer line item not an item in Small Tools and Minor Equipment.

10.4220.240	Fire – Small Tools & Minor Equipment	\$ 1,700
10.4220.720	Fire – Operating Transfer	\$ (1,700)

POLICE DEPARTMENT – PENNINGTON COUNTY LEC RADIO PAYMENT – The auditors have requested that the annual payment to Pennington County for the LEC Radio System be considered a debt service payment not a contract payment.

10.4210.303 Police – Contract Expense	\$ 5,000
10.4710.601 Debt Service – Principal	\$ (5,000)

GOVERNMENT BUILDINGS – CITY HALL WINDOW PAINTING – Painting of the City Hall windows was budgeted in 2007. The contractor backed out in the fall of 2007, and a different contractor was hired at a cost of \$3,580 in 2008. Since this was not part of the City's 2008 budget, the Revolving Capital Outlay Fund transfer for tuck pointing will be adjusted for the amount of the expense.

10.4194.223 Government Buildings – Bldg Maint & Repair	\$ (3,580)
10.4194.720 Government Buildings – Operating Transfer	\$ 3,580

PARKS & REC – BUILDING & GROUNDS SUPERVISOR RETIREMENT – The 2008 budget included the retirement of Parks Buildings & Grounds Supervisor. It is suggested that these funds be transferred to the City's severance reserve fund for future use.

10.4510.111 Parks & Rec General - Severance	\$ 33,450
10.4670.720 General Admin – Operating Transfer	\$ (33,450)

PARKS & RECREATION DEPARTMENT – NORTHROP PARK IMPROVEMENTS – The City purchased additional park equipment at Northrop Park with donations from the Kiwanis and the Dondelinger Foundation. There were also remaining funds held by the City to finance the total cost.

10.4510.540 Parks & Rec – Improvements	\$ (12,940)
10.62.3625 Private Donations	\$ 9,910
Use of Reserves – previously donated for Northrop Park	\$ 3,030

PARKS & RECREATION – ARENAS – The City of Thief River Falls had initially budgeted \$10,000 for REA Miscellaneous Equipment. In early spring, there were some major repairs needed for a compressor at the HOMCC. These dollars need to be re-allocated to the HOMCC.

10.4530.580 Parks & Rec REA – Miscellaneous Equipment	\$ (10,000)
10.4520.221 Parks & Rec HOMCC – Equip Maint & Repair	\$ 10,000

DONATIONS – TREES – The City received donations on behalf of the Chamber of Commerce for the purchase of trees along the boulevards in the downtown business district. Purchased portion of trees in 2008, and balance will be held in reserves until project is completed in 2009.

10.62.3625 Private Donations	\$ 8,000
10.4670.490 General Admin – Civic Events	\$ (2,300)

DONATIONS – MEC PLAYGROUND PROJECT – The City received donations from the Eagles Club for the development of a MEC Playground Project being sponsored by the Women’s Softball League. These funds will be held in reserve until the project is completed.

10.62.3625 Private Donations	\$ 7,200
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DONATIONS – VETERAN’S MEMORIAL – The City received a donation from the Wal-Mart Foundation for a Veteran’s Memorial being completed as an Eagle Scout Project. The balance of these funds will be held in reserve until the project is completed in 2009.

10.62.3625 Private Donations	\$ 5,000
10.4670.490 Civic Events	\$ (1,918)

CAPITAL FOR A DAY RECAP – The City of Thief River Falls was honored to be chosen as Capital for a Day as part of the State of Minnesota Sesquicentennial celebration. The City received donations and grant funds from the Minnesota Historical Society to assist in funding these activities. The balance of the funds needed to finance these activities was provided by a reserve fund that was set aside from the City’s Centennial celebration in 1996.

10.62.3625 Private Donations	\$ 3,550
10.30.3349 Other State Grants	\$ 500
10.4670.490 Civic Events	\$ (7,115)
Use of Reserves – previously set aside for City celebrations	\$ 3,065

ADJUSTED 2008 GENERAL FUND BUDGET BALANCE \$ (113,309)

This amount includes using designated reserves of \$6,095, and setting aside reserves for future projects of \$15,982, so the amount of general fund reserves being used would be \$123,196.

AIRPORT FUND

Adopted 2008 Airport Budget Balance \$ 41,940

ROOF REPAIR ON TERMINAL BUILDING – The Airport terminal building was in need of roof repairs. State aid at 80% was secured to assist in the repairs.

66.4850.223 Building Maintenance & Repair	\$ (7,700)
66.30.3349 State Grants	\$ 6,160

AIRPORT MASTER PLAN – The Airport Fund continues to complete the Airport Master Plan with 95% federal funding to complete the project.

66.4890.303 Contracts Expense	\$ (14,320)
66.30.3316 Federal Grants	\$ 13,604

ADJUSTED 2008 AIRPORT BUDGET BALANCE \$ 39,684

POLICE RELIEF PENSION FUND

Adopted 2008 Police Relief Budget Balance \$ (7,960)

POLICE RELIEF ASSOCIATION CONTRIBUTION – During the audit, the auditors recommended accounting for the city contribution to the Police Relief Association as a transfer of funds instead of depositing tax levy and state aid dollars directly into the fund.

81.10.3101 Current Ad Valorem Taxes	\$ (13,080)
81.30.3349 Market Value Homestead Credit	\$ (1,470)
81.30.3349 State Grants	\$ (3,100)
81.62-3647 Employer Contribution	\$ 17,650

ADJUSTED 2008 POLICE RELIEF BUDGET BALANCE \$ (7,960)

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 2-40-09: APPROVAL TO CLOSE OUT DEPOT RESTORATION FUND (#24) AND TO CLOSE OUT 1996 IMPROVEMENT BOND FUND (#41)

An Administrative Services Committee recommendation was presented. Following discussion, Councilmember Cullen introduced Resolution No. 2-40-09, being seconded by Councilmember Kajewski, that:

RESOLVED, by the Administrative Services Committee to close out the following two funds as of December 31, 2008:

Depot Restoration Fund (Fund #24): Close out the fund and deposit the remaining fund balance of \$48,243.44 shall be deposited into the Revolving Capital Outlay Fund.

1996 Improvement Bond Fund (#41): Close out the fund deficit of \$1,009.58 into the 2001 Refunding Bond Fund (#43), and allow Fund #43 to collect special assessment payments that would have gone into Fund #41 in the amount of \$6,902.32 during 2009.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 2-41-09: APPROVAL OF JOINT RESOLUTION ESTABLISHING AN ORDERLY ANNEXATION AGREEMENT BETWEEN ROCKSBURY TOWNSHIP AND THE CITY OF THIEF RIVER FALLS

City Attorney Ihle presented information with regard to a proposed annexation into the City limits. Following discussion, Councilmember Lee introduced Resolution No. 2-41-09, being seconded by Councilmember Kajewski, that:

WHEREAS, The City of Thief River Falls, Minnesota, (hereafter "City"), did receive a Petition for Annexation of Real Property into the City due to the need of utilities and other services provided by the City, and

WHEREAS, All of the owners of the Real Property to be annexed pursuant to this Agreement did sign the Petition for Annexation, and

WHEREAS, The respective governing bodies of Rocksbury Township (hereafter "Town") and City had expressed their desire to encourage future development of Real Property near the City so as to promote the development of municipal services and urban growth as much as is practical, while respecting the existing rural residential life styles of other areas within the Town, and

WHEREAS, The Petition for Annexation concerned that Real Property located within the Township of Rocksbury, County of Pennington, and State of Minnesota described as follows:

Government Lot Two (2), Section Two (2), Township One Hundred Fifty-three (153) North of Range Forty-three (43) West of the Fifth Principal Meridian, excepting therefrom:

That part of Government Lot 2, Section 2, in Township 153 North of Range 43 West of the Fifth Principal Meridian described as follows: Commencing at the northwest corner of the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 2; thence North 89 degrees 45 minutes 50 seconds East, assumed bearing, along the north line of said SW $\frac{1}{4}$ NW $\frac{1}{4}$ and the north line of said Government Lot 2 a distance of 1412.74 feet to the point of beginning of the tract to be described; thence continuing North 89 degrees 45 minutes 40 seconds East along the north line of said Government Lot 2 a distance of 779.12 feet to an iron pipe monument at the intersection with the westerly right of way line of Trunk Highway No. 59; thence South 39 degrees 50 minutes 14 seconds East along said right of way line 366.40 feet; thence South 86 degrees 24 minutes 51 seconds West 625.99 feet; thence North 50 degrees 48 minutes 23 seconds West 502.02 feet to the point of beginning (St. Francis Real Property);

The East 400 feet of the North 550 feet of the Southwest Quarter of the Northwest Quarter (SW $\frac{1}{4}$ NW $\frac{1}{4}$), Section Two (2), Township One Hundred Fifty-three (153) North of Range Forty-three (43) West of the Fifth Principal Meridian, (Pamela Pals Real Property);

That part of Government Lot One (1), Section Two (2), Township One Hundred Fifty-three (153) North of Range Forty-three (43) West of the Fifth Principal Meridian, lying East of the Center line of present County Ditch No. 1, described as follows: Beginning at a point on the South line of

Government Lot 1 a distance of 866 feet East of a point where the South line of said Government Lot 1 intersects with the center line of County Ditch No. 1; thence from this point of beginning, running North a distance of 169 feet to a point; thence Southeasterly in a straight line to a point on the South line of Government Lot 1 which is 936 feet East of the center line of County Ditch No. 1; thence running West upon the South line of said Government Lot 1 a distance of 70 feet to the point of beginning, (Lois Peterson Real Property);

That part of Government Lot One (1), Section Two (2), Township One Hundred Fifty-three (153) North of Range Forty-three (43) West of the Fifth Principal Meridian, lying East of the Center line of present County Ditch No. 1, described as follows: Beginning at a point on the South line of Government Lot 1 a distance of 936 feet East of a point where the South line of said Government Lot 1 intersects with the center line of County Ditch No. 1; thence running Northwesterly along and upon a line parallel to and 936 feet East of the center line of said County Ditch No. 1 a distance of 209 feet to a point; thence running East along a line parallel to the South line of said Government Lot 1 a distance of 104 feet to a point; thence running Southeasterly along a line parallel to and 1,040 feet East of the center line of said County Ditch No. 1 a distance of 209 feet to a point on the South line of said Government Lot 1; thence West along the South line of said Government Lot 1 a distance of 104 feet to the point of beginning, (Lois Peterson Real Property);

That part of Government Lot One (1), Section Two (2), Township One Hundred Fifty-three (153) North of Range Forty-three (43) West of the Fifth Principal Meridian, lying East of the Center line of present County Ditch No. 1, described as follows: Beginning at a point on the South line of Government Lot 1 a distance of 1,040 feet East of a point where the South line of said Government Lot 1 intersects with the center line of County Ditch No. 1; thence Northwesterly along and upon a line parallel to and 1,040 feet East of the center line of said County Ditch No. 1 a distance of 209 feet to a point; thence East along a line parallel to the South line of said Government Lot 1 a distance of 104 feet to a point; thence Southeasterly along a line parallel to and 1,144 feet East of the center line of said County Ditch No. 1 a distance of 209 feet to a point on the South line of said Government Lot 1; thence West along the South line of said Government Lot 1 a distance of 104 feet to the point of beginning, (Lois Peterson Real Property);

That part of Government Lot Two (2), Section Two (2), in Township One Hundred Fifty-three (153) North of Range Forty-three (43) West of the Fifth Principal Meridian described as follows: Commencing at the northwest corner of the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 2; thence North 89 degrees 45 minutes 50 seconds East, assumed bearing, along the north line of said SW $\frac{1}{4}$ NW $\frac{1}{4}$ and the north line of said Government Lot 2 a distance of 1,412.74 feet to the point of beginning of the tract to be described; thence continuing North 89 degrees 45 minutes 40 seconds East along the North line of said Government lot 2 a distance of 779.12 feet to an iron pipe monument at the intersection with the westerly right of way line of Trunk Highway No. 59; thence South 39 degrees 50 minutes 14 seconds East along said right of way line 366.40 feet; thence South 86 degrees 24 minutes 51 seconds West 625.99 feet; thence North 50 degrees 48 minutes 23 seconds West 502.02 feet to the point of beginning (Lyle Paulson and Colleen M. Paulson Real Property).

WHEREAS, The City and Town desire to accommodate the Petition for Annexation to encourage growth in a cooperative, planned, and orderly fashion, and

WHEREAS, This Joint Resolution creating an Orderly Annexation Agreement (hereafter "Agreement") is beneficial to both parties to promote orderly planning, the orderly transition of government within the Real Property proposed to be annexed, promote continuity of city boundaries, and establish the condition under which such annexation shall take place,

WHEREAS, The Town and City jointly request the immediate annexation of the Real Property described herein into the City, and

WHEREAS, The notice requirements of Minnesota Statutes, Section 4.14.0325, Subd. 1(b) is not applicable as all of the Real Property owners have petitioned for the immediately annexation of their real property,

NOW, THEREFORE, BE IT RESOLVED, In consideration of the mutual terms and conditions contained herein, Town and City hereby enter into this Agreement to provide for the orderly annexation of the Real Property herein described into the City upon the following terms and conditions:

1. Real Property Designated For Annexation. The unincorporated Real Property designated for orderly annexation is located in the Township of Rocksbury, County of Pennington and State of Minnesota and is described as follows:

Government Lot Two (2), Section Two (2), Township One Hundred Fifty-three (153) North of Range Forty-three (43) West of the Fifth Principal Meridian, excepting therefrom:

That part of Government Lot 2, Section 2, in Township 153 North of Range 43 West of the Fifth Principal Meridian described as follows: Commencing at the northwest corner of the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 2; thence North 89 degrees 45 minutes 50 seconds East, assumed bearing, along the north line of said SW $\frac{1}{4}$ NW $\frac{1}{4}$ and the north line of said Government Lot 2 a distance of 1412.74 feet to the point of beginning of the tract to be described; thence continuing North 89 degrees 45 minutes 40 seconds East along the north line of said Government Lot 2 a distance of 779.12 feet to an iron pipe monument at the intersection with the westerly right of way line of Trunk Highway No. 59; thence South 39 degrees 50 minutes 14 seconds East along said right of way line 366.40 feet; thence South 86 degrees 24 minutes 51 seconds West 625.99 feet; thence North 50 degrees 48 minutes 23 seconds West 502.02 feet to the point of beginning (St. Francis Real Property);

The East 400 feet of the North 550 feet of the Southwest Quarter of the Northwest Quarter (SW $\frac{1}{4}$ NW $\frac{1}{4}$), Section Two (2), Township One Hundred Fifty-three (153) North of Range Forty-three (43) West of the Fifth Principal Meridian, (Pamela Pals Real Property)

That part of Government Lot One (1), Section Two (2), Township One Hundred Fifty-three (153) North of Range Forty-three (43) West of the Fifth Principal Meridian, lying East of the Center line of present County Ditch No. 1, described as follows: Beginning at a point on the South line of Government Lot 1 a distance of 866 feet East of a point where the South line of said Government Lot 1 intersects with the center line of County Ditch No. 1; thence from this point of beginning, running North a distance of 169 feet to a point; thence Southeasterly in a straight line to a point on the South line of Government Lot 1 which is 936 feet East of the center line of County Ditch No. 1; thence running West upon the South line of said Government Lot 1 a distance of 70 feet to the point of beginning, (Lois Peterson Real Property);

That part of Government Lot One (1), Section Two (2), Township One Hundred Fifty-three (153) North of Range Forty-three (43) West of the Fifth Principal Meridian, lying East of the Center line of present County Ditch No. 1, described as follows: Beginning at a point on the South line of Government Lot 1 a distance of 936 feet East of a point where the South line of said Government

Lot 1 intersects with the center line of County Ditch No. 1; thence running Northwesterly along and upon a line parallel to and 936 feet East of the center line of said County Ditch No. 1 a distance of 209 feet to a point; thence running East along a line parallel to the South line of said Government Lot 1 a distance of 104 feet to a point; thence running Southeasterly along a line parallel to and 1,040 feet East of the center line of said County Ditch No. 1 a distance of 209 feet to a point on the South line of said Government Lot 1; thence West along the South line of said Government Lot 1 a distance of 104 feet to the point of beginning, (Lois Peterson Real Property);

That part of Government Lot One (1), Section Two (2), Township One Hundred Fifty-three (153) North of Range Forty-three (43) West of the Fifth Principal Meridian, lying East of the Center line of present County Ditch No. 1, described as follows: Beginning at a point on the South line of Government Lot 1 a distance of 1,040 feet East of a point where the South line of said Government Lot 1 intersects with the center line of County Ditch No. 1; thence Northwesterly along and upon a line parallel to and 1,040 feet East of the center line of said County Ditch No. 1 a distance of 209 feet to a point; thence East along a line parallel to the South line of said Government Lot 1 a distance of 104 feet to a point; thence Southeasterly along a line parallel to and 1,144 feet East of the center line of said County Ditch No. 1 a distance of 209 feet to a point on the South line of said Government Lot 1; thence West along the South line of said Government Lot 1 a distance of 104 feet to the point of beginning, (Lois Peterson Real Property);

That part of Government Lot Two (2), Section Two (2), in Township One Hundred Fifty-three (153) North of Range Forty-three (43) West of the Fifth Principal Meridian described as follows: Commencing at the northwest corner of the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 2; thence North 89 degrees 45 minutes 50 seconds East, assumed bearing, along the north line of said SW $\frac{1}{4}$ NW $\frac{1}{4}$ and the north line of said Government Lot 2 a distance of 1,412.74 feet to the point of beginning of the tract to be described; thence continuing North 89 degrees 45 minutes 40 seconds East along the North line of said Government lot 2 a distance of 779.12 feet to an iron pipe monument at the intersection with the westerly right of way line of Trunk Highway No. 59; thence South 39 degrees 50 minutes 14 seconds East along said right of way line 366.40 feet; thence South 86 degrees 24 minutes 51 seconds West 625.99 feet; thence North 50 degrees 48 minutes 23 seconds West 502.02 feet to the point of beginning (Lyle Paulson and Colleen M. Paulson Real Property).

The Real Property is shown on the map attached hereto and made a part hereof as Exhibit "A", on file in the Office of the City Administrator.

2. Acreage and population. The Real Property consists of approximately 49.01 acres, the population of the Real Property is currently 2.

3. Jurisdiction. Upon approval by the Town Board and City Council, this Agreement shall confer jurisdiction upon the Chief Administrative Law Judge, as defined in Minnesota Statutes, Section 414.011 (Subd. 12) (hereafter "Chief Judge"), to accomplish said annexation in accordance with the terms of this Agreement.

4. Review and Comment by Chief Judge. The Town and City mutually agree and state that this Agreement sets forth all the conditions for annexation and that no consideration by the Chief Judge is necessary for annexation to occur within the Real Property in accordance with this Agreement. Additionally, no alteration of the boundaries by the Chief Judge is appropriate. The Chief Judge may review and comment, but shall, within thirty days, order the annexation in accordance with the terms of this Agreement.

5. Effective Date. This Agreement is effective on the date it is last adopted by the Town and City. The annexation provided for by this Agreement shall be effective upon the issuance of the Order by the Chief Judge. The provisions of this Agreement shall be binding unless otherwise modified by a joint resolution of both the Town and City. This Agreement is only meant to apply to the Real Property and not to any other area within the Town.

6. Reasons for Annexation. The reasons for the annexation of the Real Property include the Town's and City's collective determination that: The Real Property is now, or is about to become, urban or suburban in character; that the Real Property is in need of utilities such as sanitary sewer, storm sewer, and water; the type of development proposed for the Real Property is more consistent with development within the City; and at this time the annexation would be in the best interest of the Petitioners, the City, and the Town.

7. Timing of Tax Levy. Pursuant to Minnesota Statutes, Section 414.0325, Subd. 4b, because the annexation provided for in this Agreement will be effective prior to August 1, 2009, the City may levy on the annexed area beginning with the same levy year.

8. Property Tax Reimbursement. Pursuant to Minnesota Statutes, Section 414.036, the reimbursement from the City to the Town shall be as follows:

First Year	90%
Second Year	70%
Third Year	50%
Fourth Year	30%
Fifth Year	10%

9. Authorization. The appropriate officers of the Town and City are hereby authorized to carry out the terms of this Agreement.

10. Entire Agreement. The terms, covenants, conditions, and provisions of this Agreement, including Exhibit "A", which is attached hereto and incorporated herein by reference, shall constitute the entire Agreement between the Town and City, unless amended by joint resolution of Town and City.

11. Governing Law. This Agreement is made pursuant to, and shall be construed in accordance with, the laws of the State of Minnesota.

On vote being taken, the resolution was unanimously passed.

UPCOMING MEETINGS

- Planning Commission Meeting – February 23rd @ 7:00 p.m.
- Improvement Project Hearing – February 26th @ 7:00 p.m.
- City Council/Pennington County Commissioners March 2nd at 7:00 a.m.
- City Council Meeting – March 3rd @ 5:00 p.m.

ADJOURNMENT

There being no further discussion, Councilmember Cullen moved, being seconded by Councilmember Bendickson, to adjourn the meeting at 5:43 p.m. On vote being taken, the Chair declared the motion unanimously carried and the meeting adjourned until March 2, 2009 for a County/City adjourned meeting.

Steve Nordhagen, Mayor

Attest: _____
Jodie R. Torkelson, City Administrator