

COUNCIL PROCEEDINGS

April 21, 2009

The City Council of Thief River Falls, Minnesota, met in regular session at 5:00 p.m. on April 21, 2009 in the Council Chambers of City Hall. The following Councilmembers were present: Cullen, Erickson, Holten, Kajewski, Lee, Schmalz and Mayor Nordhagen. Councilmember Bendickson was absent. Mayor Nordhagen chaired the meeting.

PRESENTATIONS/PROCLAMATIONS/PUBLIC INFORMATION ANNOUNCEMENTS

ARBOR DAY: Councilmember Kajewski moved, being seconded by Councilmember Cullen, to proclaim May 6, 2009 as Arbor Day. On vote being taken, the Chair declared the motion unanimously carried.

AMERICAN LEGION AUXILIARY VETERANS' POPPY DAYS: Councilmember Kajewski moved, being seconded by Councilmember Erickson, to proclaim May as the American Legion Auxiliary Veterans' Poppy month. On vote being taken, the Chair declared the motion unanimously carried.

APPROVAL OF AGENDA

Councilmember Cullen motioned, being seconded by Councilmember Erickson, to approve the agenda with the addition of two items and the deletion of proposed quotes for a copier. On vote being taken, the motion was unanimously approved and the agenda adopted.

RESOLUTION NO. 4-74-09: APPROVAL OF COUNCIL PROCEEDINGS

Presented as part of the Consent Agenda, Councilmember Schmalz introduced Resolution No. 4-74-09, being seconded by Councilmember Cullen, that:

RESOLVED, by the City Council, to approve the April 7, 2009 Council Proceedings, as presented.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 4-75-09: APPROVAL OF PAYMENT OF BILLS

Presented as part of the Consent Agenda, Councilmember Schmalz introduced Resolution No. 4-75-09, being seconded by Councilmember Cullen, that:

RESOLVED, by the City Council, to authorize payment of bills and disbursements in the total amount of \$663,176.70. 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. 4-76-09: ACCEPTANCE OF RETIREMENT/RESIGNATION OF RONALD LINDBERG, PUBLIC WORKS DIRECTOR

Presented as part of the Consent Agenda, Councilmember Schmalz introduced Resolution No. 4-76-09, being seconded by Councilmember Cullen, that:

RESOLVED, by the City Council, to accept the retirement/resignation of Ronald Lindberg, Public Works Director, effective May 31, 2009.

The City Council wishes to thank Mr. Lindberg for his twenty years of service to the City of Thief River Falls.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 4-77-09: APPROVAL OF JACOBSON HOSPITALITY CO. D.B.A. BEST WESTERN MOTEL ON-SALE INTOXICATING LIQUOR LICENSE

Presented as part of the Consent Agenda, Councilmember Schmalz introduced Resolution No. 4-77-09, being seconded by Councilmember Cullen, that:

RESOLVED, by the City Council, to authorize the issuance of an On-Sale Intoxicating Liquor License and a Sunday Liquor License to Jacobson Hospitality Co. d.b.a. as Best Western Motel, 1060 Highway 32 South, Thief River Falls, MN effective May 1, 2009 through December 31, 2009.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 4-78-09: APPROVAL OF TEMPORARY 3.2% MALT LIQUOR LICENSE TO CHAMBER OF COMMERCE

Presented as part of the Consent Agenda, Councilmember Schmalz introduced Resolution No. 4-78-09, being seconded by Councilmember Cullen, that:

RESOLVED, by the City Council, to authorize the issuance of a Temporary 3.2% Malt Liquor License to the Chamber of Commerce effective Friday, July 31, 2009 at LaBree Avenue (between 2nd Street and 3rd Street) or the Curling Club.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 4-79-09: APPROVAL TO CERTIFY DELINQUENT MOBILE HOME UTILITY BILL TO PENNINGTON COUNTY AUDITOR

Presented as part of the Consent Agenda, Councilmember Schmalz introduced Resolution No. 4-79-09, being seconded by Councilmember Cullen, that:

BE IT RESOLVED, to accept a Public Utilities Committee recommendation and authorize to certify the following delinquent utility bill (mobile home) to the Pennington County Auditor for collection as part of the owner's 2009 property tax:

Parcel No. 25.091.421.00 \$928.31

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 4-80-09: APPROVAL OF SUBORDINATION AGREEMENT FOR ROBERT AND LINDA SAMUELSON REGARDING SLOW SECOND MORTGAGE

Presented as part of the Consent Agenda, Councilmember Schmalz introduced Resolution No. 4-80-09, being seconded by Councilmember Cullen, that:

RESOLVED, by the City Council, that the City hereby agrees to subordinate its position on a slow second mortgage with Robert and Linda Samuelson and Wells Fargo Bank on property legally described as Lots Eleven (11), Twelve (12), and Thirteen (13) of Block One (1) of Arthur's Third Addition, including a rearrangement of Lot Nine (9) of Block Two (2) and of Lots Four (4) and Five (5) of Block Three (3) of Arthur's Second Addition.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 4-81-09: APPROVAL OF CITY OF THIEF RIVER FALLS MONITORING AND REGULATING OF FINANCIAL EXPENDITURES

The City Council reviewed a proposal to monitor and regulate financial expenditures of the City of Thief River Falls. Following discussion, Councilmember Kajewski introduced Resolution No. 4-81-09, being seconded by Councilmember Lee, that:

WHEREAS, the cuts to Local Government Aid that the City of Thief River Falls will receive for 2009 and 2010 has not yet been determined by the Governor and State legislature; and,

WHEREAS, the City of Thief River Falls is required under Minnesota Statute to operate with a balanced budget.

THEREFORE, BE IT RESOLVED, that the City Council instructs division and department managers to thoroughly monitor and hold down overtime and other premium pays, to only approve travel and training that is mandatory for maintaining necessary licenses or has received approval by the Budget Committee, and to continue to look for additional efficiencies and savings.

BE IT FURTHER RESOLVED, that the City Council intends to continue postponing capital expenditures and freezing the filling of vacancies as the City looks at opportunities for restructuring.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 4-82-09: APPROVAL OF AMENDMENT TO TAX ABATEMENT POLICY

An Administrative Services Committee recommendation was presented. Following discussion, Councilmember Cullen introduced Resolution No. 4-82-09, being seconded by Councilmember Lee, that:

WHEREAS, the current Tax Abatement Policy was adopted by the City Council by Resolution No. 11-239-05; and,

WHEREAS, the policy does not address the process to follow if a property qualifying for the tax abatement is sold during the tax abatement period; and,

WHEREAS, the Administrative Services met, along with the Community Development Director, to review the Tax Abatement Policy.

THEREFORE, BE IT RESOLVED, by the City Council, to accept the Administrative Services Committee and Community Development Director's recommendation to amend the Tax Abatement Policy by adding a provision to indicate that the tax abatement transfers with the property regardless who built the home initially as long as the property still has eligibility left within the three-year time-frame.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 4-83-09: ESTABLISHING AN INTER-FUND LOAN FOR THE 2007 IMPROVEMENT PROJECT

A recommendation from Finance Director Johnson was presented. Following discussion, Councilmember Schmalz introduced Resolution No. 4-83-09, being seconded by Councilmember Cullen, that:

WHEREAS, on February 20, 2007 the City Council ordered the 2007 Street and Utilities Improvement Project (the 2007 Improvement Project) through the adoption of Resolution 2-48-07, and,

WHEREAS, the City is in need of financing this project in the amount of \$342,660.50 for the 2007 Improvement Project.

NOW THEREFORE, BE IT RESOLVED by the City Council of Thief River Falls, Minnesota as follows:

1. Fund Created. A fund entitled "2007 Improvement Project Fund" is hereby established for the purpose of accounting for the financing of the 2007 Improvement Project.
2. Inter-Fund Loan Established. An inter-fund loan (the "Loan") is hereby established in the amount of \$342,660.50 with funds to be allocated in the 2007 Improvement Project as of the Effective Date.
3. Effective Date. The loan shall be effective as of December 31, 2008 (the "Effective Date").
4. Sources of Loan Funds. The source for the Loan (the "Source Fund") shall be from Fund #10, referred to as the General Fund.
5. Interest Rate and Accrual. The 2007 Improvement Project Fund shall be repaid with annual payments at the City's annual rate of return earned on the average cash and investment balance. The rate of return will be calculated annually by the City's Finance Director beginning with the payment on December 31, 2009. The interest shall be paid from the Effective Date until the Repayment date of the Loan, or in the case of partial prepayments the interest shall be paid on that portion so prepaid until such prepayment date.
6. Loan Repayment. The Loan shall be repaid by annual installments to the General Fund. Notwithstanding, the City shall retain the authority to prepay all or a portion of the Loan without penalty.
7. Authority to Take Out Loan. The City shall retain full authority to take out the Loan through other permitted means of financing.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 4-84-09: ESTABLISHING AN INTER-FUND LOAN FOR THE 2008 IMPROVEMENT PROJECT

A recommendation from Finance Director Johnson was presented. Following discussion, Councilmember Kajewski introduced Resolution No. 4-84-09, being seconded by Councilmember Lee, that:

WHEREAS, on April 15, 2008 the City Council ordered the 2008 Street and Utilities Improvement Project (the 2008 Improvement Project) through the adoption of Resolution 4-95-08, and,

WHEREAS, the City is in need of financing this project in the amount of \$124,661.60 for the 2008 Improvement Project.

NOW THEREFORE, BE IT RESOLVED by the City Council of Thief River Falls, Minnesota as follows:

8. Fund Created. A fund entitled "2008 Improvement Project Fund" is hereby established for the purpose of accounting for the financing of the 2008 Improvement Project.
9. Inter-Fund Loan Established. An inter-fund loan (the "Loan") is hereby established in the amount of \$124,661.60 with funds to be allocated in the 2008 Improvement Project as of the Effective Date.
10. Effective Date. The loan shall be effective as of December 31, 2008 (the "Effective Date").
11. Sources of Loan Funds. The source for the Loan (the "Source Fund") shall be from Fund #10, referred to as the General Fund.
12. Interest Rate and Accrual. The 2008 Improvement Project Fund shall be repaid with annual payments at the City's annual rate of return earned on the average cash and investment balance. The rate of return will be calculated annually by the City's Finance Director beginning with the payment on December 31, 2009. The interest shall be paid from the Effective Date until the Repayment date of the Loan, or in the case of partial prepayments the interest shall be paid on that portion so prepaid until such prepayment date.
13. Loan Repayment. The Loan shall be repaid by annual installments to the General Fund. Notwithstanding, the City shall retain the authority to prepay all or a portion of the Loan without penalty.
14. Authority to Take Out Loan. The City shall retain full authority to take out the Loan through other permitted means of financing.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 4-85-09: APPROVAL OF 2009 ELECTRIC CONSERVATION IMPROVEMENT PROGRAM BUDGET

The City Council reviewed a proposed budget prepared by Public Utilities Rude as it pertains to the 2009 Electric Conservation Improvement Program. Following discussion, Councilmember Lee introduced Resolution No. 4-85-09, being seconded by Councilmember Cullen, that:

WHEREAS, the State Conservation Improvement Program mandates the City spend 1.5% of the revenue from sales of electricity for energy conservation programs. Should the City not spend the 1.5% of revenue on energy conservation any amount less than the 1.5% has to be paid to the State; and,

WHEREAS, the Electric Department budget for 2009 is \$9,172,263 in power sales revenue which would mean 1.5% in conservation spending equals \$137,584; and,

WHEREAS, the City will be reporting the expenditures of the conservation program spending to the Public Service Commissioner; and,

WHEREAS, the conservation expenses for this state required program are recorded on work orders, rebate programs, and promotional programs. Labor costs for the customer service representative and other staff involved are also part of the CIP expenditures.

THEREFORE, BE IT RESOLVED, by the City Council, to adopt the 2009 City Conservation Program and State Conservation Improvement Program budget.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 4-86-09: APPROVAL OF MEMORANDUM OF UNDERSTANDING WITH PARKS/ARENAS MAINTENANCE WORKER BRADLEY BROUSE AS PARKS AND RECREATION MAINTENANCE FOREMAN

A Personnel and Labor Committee recommendation was presented. Following discussion, Councilmember Erickson introduced Resolution No. 4-86-09, being seconded by Councilmember Lee, that:

WHEREAS, the Building and Grounds Supervisor of the City is retiring as of May 1, 2009 and the City has opted to not fill the vacancy at this time; and,

WHEREAS, the City wishes to use a current Parks and Recreation Department employee to assume a portion of the duties of the Buildings and Grounds supervisor on a temporary basis.

THEREFORE, BE IT RESOLVED, by the City Council, to authorize and direct the Mayor and City Administrator to execute a Memorandum of Understanding with Brad Brouse, Parks/Arenas Maintenance employee. Effective May 3, 2009, Mr. Brouse shall be designated as a Parks and Recreation Maintenance Foreman and shall receive additional compensation in the amount \$260 per month as outlined in the Memorandum of Understanding.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 4-87-09: ADOPTION OF ORDINANCE NO. 42, 3rd SERIES, AN ORDINANCE AMENDING ALL-TERRAIN VEHICLE REGULATIONS AND CREATING A PERMIT PROCESS

The City Council reviewed a proposed change to the City Code. Following discussion, Councilmember Kajewski moved, being seconded by Councilmember Cullen, to call for the first reading of Ordinance No. 42, 3rd Series. On vote being taken, the Chair declared the motion unanimously carried.

Following the reading of the ordinance, Councilmember Kajewski introduced Resolution No. 4-87-09, being seconded by Councilmember Cullen, that:

BE IT RESOLVED, by the City Council, to adopt Ordinance No. 42, 3rd Series, an ordinance amending City Code 74.03 and adding 74.13 thereby regulating the use of all-terrain vehicles and creating a permit process for operation within the City limits

Said ordinance shall be published in The Times newspaper and on file in the Office of the City Administrator.

On vote being taken, the resolution was unanimously passed.

RESOLUTION NO. 4-88-09: APPROVAL OF ALL-TERRAIN VEHICLE PERMIT FEE

The City Council discussed the permit process for all-terrain vehicles that was adopted by Ordinance No. 42, 3rd Series. Following discussion, Councilmember Cullen introduced Resolution No. 4-88-09, being seconded by Councilmember Lee, that:

WHEREAS, the State of Minnesota requires that an all-terrain vehicle driving within City limits have an approved permit; and,

WHEREAS, the City of Thief River Falls is authorized to recover the costs associated with the permit process.

THEREFORE, BE IT RESOLVED, by the City Council, to establish the All-Terrain Permit fee at \$15.00 annually, effective immediately.

On vote being taken, the resolution was unanimously passed.

CITY COUNCIL COMMITTEE REPORTS

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

UPCOMING MEETINGS

- City Council/County Commissioner Meeting – April 23, 2009 at 3:00 p.m.

- City Council Meeting – May 5, 2009 at 5:00 p.m.

ADJOURNMENT

There being no further discussion, Councilmember Cullen moved, being seconded by Councilmember Erickson, to adjourn the meeting at 5:45 p.m. until April 23, 2009 at 3:00 p.m. at City Hall. On vote being taken, the Chair declared the motion unanimously carried and the meeting adjourned.

Steve Nordhagen, Mayor

Attest: _____
Jodie R. Torkelson, City Administrator