

ARLINGTON CITY COUNCIL  
MEETING MINUTES  
JUNE 4, 2007

The meeting was called to order at 6:30 p.m., Mayor Kreft presiding.

Members present: Mayor Kreft, Griep, Reetz, Vrklan, Wills

Members absent: Borchert

Also Present: Interim Administrator Schultz, Attorney Arneson, Police Chief Rovinsky, Larry & Laura Kicker, Asst. Ambulance Manager Robert Lueth, Kurt Menk

Motion by Griep, seconded by Vrklan, and passed by unanimous vote to approve the agenda with the following additions:

8.5a) Creation of a Comprehensive Plan Exploratory Task Force

8.5b) 7 Appointments to Comprehensive Plan Exploratory Task Force.

Motion by Reetz, seconded by Griep, and passed by unanimous vote to approve the minutes from the May 21, 2007 meeting as presented.

Brief discussion was held on the number of obstructed catch basins. Griep expressed concern that they should be cleaned out, even though it is so costly.

Motion by Reetz, seconded by Vrklan, and passed by unanimous vote to authorize Street Supt. Thomes to obtain some estimates for hiring someone to vacuum/jet out the catch basins and have the information ready for the next agenda.

Motion by Vrklan, seconded by Reetz, and passed by unanimous vote to approve the bills as presented.

Police Chief Rovinsky presented the monthly police report. He stated that part-time Officer Josh Stelter has accepted a full-time job in Texas and will no longer be helping out the police department. Rovinsky explained that the individual who is the GFW Officer/School Liaison has expressed an interest in becoming a part-time officer for the police department and would be able to pick up most of what Stelter worked.

Motion by Griep, seconded by Reetz, and passed by unanimous vote to hire Denny Adamski as a part-time Police Officer.

Chief Rovinsky spoke on the wages for part-time officers. He stated that the current wage is \$10.61 per hour, which is approximately \$3 below other area departments (low side of scale). The Police Committee on a 6-1 vote was recommending an increase in the part-time police officer wages to \$13.50 per hour effective immediately. Reetz expressed concern about the timeliness of the request, normally wages are discussed at the end of the year, but he also doesn't want to lose the part-time help because the wages are so low. Discussion was held on how this would affect the police department's budget. Rovinsky explained that the part-time officers are utilized at the Community Center in conjunction with covering for vacations, etc., which the part-time officer pay comes out of the police department budget and is shown as a debit. However, in the same aspect, is not shown as a revenue source, money is collected from the events held at the Community Center for officer coverage, but is put into the General Fund, not the police department. Griep pointed out that even though it is mid-year the City probably could work something out as it is not currently paying for 3 full-time officers. Chief Rovinsky commented that he keeps track of the part-time wages/hours (what they were for Community Center, etc.) in order to help him stay within his budget. Mayor Kreft commented that Chief Rovinsky had come to him at the beginning of the year with the request, but had instructed him to wait as he was just getting acclimated with city processes. Vrklan suggested giving an incremental increase now as the need is so evident.

Motion by Griep, seconded by Vrklan, and carried (Wills opposed) to increase the part-time police officer wage to \$13.50 per hour effective June 4<sup>th</sup>.

Discussion was held on ordinance enforcement. Chief Rovinsky explained that the police department will be handling all matters relating to vehicles (as they can check VIN's) and Code Enforcement Officer Jenness will be handling yards and buildings. If there is a problem yard/building that requires a citation, the police department will issue the citations. Rovinsky stated that he and Jenness plan to meet weekly (as schedules allow) and he would be handling the citations and follow-ups personally. Rovinsky commented that he will start informing (emailing) the 2 Councilmembers on the Police Committee of the properties that he and Jenness are working on to keep them informed. Wills suggested making a list and putting in the council packets, that way the entire Council is informed. Wills questioned why the police officers (when they are patrolling) don't just stop and talk to the property owner when they see a violation (good public relations). Chief Rovinsky said this could be done. Reetz commented that if Chief Rovinsky was planning to handle the one-to-one visits personally, the other officers could just leave him a note as to where the violation was, so he could follow up on it.

The Council and Chief Rovinsky reviewed the billing statement from the Sibley County Sheriff's Office for police service for the last week in March.

Mayor Kreft recessed the regular meeting to hold a public hearing.

At 7:00 pm Mayor Kreft called the public hearing to order relating to the use of property tax abatement for the purpose of funding development costs for an assisted living facility expansion proposed by Golden Hearts, Inc. It was noted that Larry and Laura Kicker were present. Laura explained that the proposed expansion project included 7 additional rooms, sun room, family room, large public bathroom with surround shower and parking to the north. She stated that she currently has 17 employees and will need to hire more due to the expansion. She commented that she would like to get started as soon as possible.

Mayor Kreft closed the public hearing and reconvened the regular meeting.

Council member Vrklan introduced the following resolution and moved its adoption:

#### RESOLUTION NO. 16-2007

### RESOLUTION AUTHORIZING A TAX ABATEMENT ON PROPERTY WITHIN THE CITY OF ARLINGTON FOR THE PURPOSE OF FUNDING PROJECT EXPENSES

WHEREAS, Laura and Larry Kicker (Golden Hearts, Inc.) have submitted a request for a tax abatement in order to assist in the financial feasibility of the construction of a 7-unit expansion to their existing Golden Hearts residential assisted living facility; and

WHEREAS, Mr. and Mrs. Kicker have indicated that City tax abatement would assist Golden Hearts, Inc. in competing with other property tax-exempt opportunities that are available within the community; and

WHEREAS, the City Council of the City of Arlington, Minnesota (the "City"), has held a public hearing on the proposed abatement, pursuant to Minnesota Statutes, Sections 469.1813 through and including 469.1815, to finance project expenses for an assisted living expansion proposed by Golden Hearts, Inc. (the "Project"); and

WHEREAS, the City Council has proposed to abate a portion of the City's share of property taxes on a portion of the following parcel for a period of up to 15 years:

Parcel I.D. #: 31-0817000 & 31-0819000

WHEREAS, Mr. and Mrs. Kicker have indicated that the expansion project will lead to 4 or 5 additional full-time employees; and

WHEREAS, M.S. 469.1813 indicates that a municipality may provide tax abatement assistance to those projects that: (1) it expects the benefits to the political subdivision of the proposed abatement agreement to at least equal the costs to the political subdivision of the proposed agreement; and (2) it finds that doing so is in the public interest because it will: (i) increase or preserve tax base; (ii) provide employment opportunities in the political subdivision; (v) help provide access to services for residents of the political subdivision.

WHEREAS, the City Council finds that the proposed abatement and benefited project is in the best interest of the City and its businesses and residents.

NOW, THEREFORE, BE IT RESOLVED by the City Council of City of Arlington, Minnesota, as follows:

1. Abatement. The City Council hereby authorizes the abatement of the City share of property taxes in excess of the taxes paid based on the pay 2007 Assessor's Estimated Market Value. The amount of the abatement shall not to exceed \$2,800 per year, or in any event the abatement shall not exceed the City's tax rate multiplied by the total net tax capacity exceeding the pay 2007 total net tax capacity of the aforementioned parcel. The abatement period shall not exceed 15 years commencing with taxes payable in 2009. Final terms that do not exceed the provisions of this resolution will be established within a business subsidy agreement.
2. Purpose. The Abatements will be provided to Golden Hearts, Inc. to reimburse the cost of expenses associated with developing the project location.
3. Public Benefit. The proposed abatements will benefit the public by:
  - a) increasing the property tax base of the City of Arlington; and
  - b) providing new employment opportunities within the City of Arlington; and
  - c) Providing additional services to the residents of the Arlington area.
4. Transfer. The abatement assistance is transferable only on the sale or transfer of Golden Hearts Assisted Living to immediate family members and only after review and written consent of the EDA and the City. The abatement assistance is not transferable to a 3<sup>rd</sup> party purchaser without prior review and written consent of the EDA and the City, and that the EDA or the City will not unreasonably withhold this consent; and
5. Agreement. This assistance is subject to terms established within a development agreement that shall be adopted prior to the implementation of the property tax abatement.
6. Administrative Costs. That Golden Hearts pay all administrative and consulting costs associated with implementing the abatement assistance.

The motion for the adoption of the foregoing resolution was duly seconded by Council member Wills and upon vote being taken thereon, the following voted in favor thereof: Griep, Reetz, Vrklan, Wills; and the following voted against the same: None; and the following were absent: Borchert; and the following abstained from voting: None.

Adopted by the City Council of the City of Arlington this 4<sup>th</sup> day of June, 2007.

Whereupon said resolution was declared duly passed and adopted.

BY ORDER OF THE CITY COUNCIL

/s/James R. Kreft \_\_\_\_\_  
James R. Kreft, Mayor

/s/Dennis P. Schultz \_\_\_\_\_  
Dennis P. Schultz, Interim City Administrator

Motion by Reetz, seconded by Wills, and passed by unanimous vote to approve the following Development Agreement:

## DEVELOPMENT AGREEMENT

**THIS AGREEMENT** is made and entered into by and between the *City of Arlington, Minnesota*, a municipal corporation under the laws of Minnesota ("City") and Golden Hearts, Inc., a corporation under the laws of Minnesota ("Golden Hearts").

### Recitals

- A.** Golden Hearts proposes to expand its existing Assisted Living senior housing facility in the City of Arlington by adding an additional 7 residential units ("Project").
- B.** The Project will create job opportunities for residents of the City, will expand the tax base of both, and will result in additional senior residential housing and services.
- C.** The City promotes job development and business growth and has determined that assisting Golden Hearts with the Project is in the public interest.
- D.** The City and Golden Hearts have agreed upon terms pursuant to which the City will provide Golden Hearts with tax abatement assistance for the Project and desires to reduce their agreement to writing.

### Agreement

**FOR VALUABLE CONSIDERATION, IT IS HEREBY AGREED** by and between the City and Golden Hearts as follows:

## SECTION 1

### Minimum Improvements

- 1.1. Minimum Improvements. Golden Hearts** shall construct to substantial completion on the Property seven (7) new residential units and associated commons areas totaling 3500 (approx.) square feet in size ("Project") by December 31, 2007.
- 1.2. Minimum improvements defined.** The expansion and appurtenant improvements on and to the Property are called the "Minimum Improvements" and are estimated to cost approximate \$350,000 ("Estimated Cost").
- 1.3. Value.** When completed the Minimum Improvements shall have an estimated market value of at least Three-hundred fifty-seven thousand and no/100ths Dollars (\$357,000), as determined by the Sibley County Assessor based on the Estimated Cost.

## SECTION 3

### Tax Abatements

- 2.1. Abatement resolutions.** Pursuant to Minn. Stat. §469.1812 through §469.1815, the City approved tax abatement to subsidize the Project by Resolution 16-2007 adopted by the City Council on June 4, 2007 ("City Resolution").
- 2.2. City abatements.** Pursuant to the City Resolution, the City shall abate its respective share of the taxes on parcel #: 31-0817000 & 31-0819000 in excess of the taxes based on the 2007 Assessor's Estimated Market Value.
- 2.3. Maximum annual abatements:** The amount of tax so abated by the City shall not exceed \$2,800 per year. In any event the abatement shall not exceed the City's tax rate multiplied by the total net tax capacity of the aforementioned parcel.
- 2.4. Term:** The term during which taxes on the Property shall be so abated is fifteen (15) consecutive years, commencing with taxes payable in 2009.
- 2.5. Collections.** The abated taxes shall be collected by the City and shall be promptly paid to the then owner(s) of record of parcel #: 31-0817000 & 31-0819000 to help defray part of the costs of the Project.

## SECTION 6

### Miscellaneous

- 3.1. Attorney fees and costs.** Any party who breaches this Agreement shall be liable to the other parties for applicable attorney fees and costs incurred as a result of the breach, in addition to compensatory damages.
- 3.2. Administrative costs.** Golden Hearts pay all administrative and consulting costs associated with implementing the abatement assistance.
- 3.3. Indemnification.** Except for any willful misrepresentation or any willful or wanton misconduct, Golden Hearts, Inc. shall protect, defend, and hold harmless the City, now and forever, from and against all claims, demands, suits, actions and other proceedings whatsoever brought by any person or entity whatsoever, arising or allegedly arising from the actions or

inactions of Golden Hearts and all persons acting on its behalf or under its direction or control in connection with the transactions contemplated by this agreement.

**3.4. Assignment.** Golden Hearts may assign their obligations under and pursuant to this agreement but only with the prior, written consent of the City, which consent shall not be unreasonably withheld.

**3.5. Notices.** Except as otherwise expressly provided in this agreement, a notice, demand, or other communication under this agreement shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, as follows:

**3.5.1.** if to the **City:** **City of Arlington, Minnesota**  
**Attn: City Administrator, City Hall – 204 Shamrock Drive, Arlington, MN 55307**

**3.5.2.** if to **Golden Hearts:** **Golden Hearts, Inc., 602 Marion Drive, Arlington, MN 55307;**  
or at such other address with respect to any such party as that party may, from time to time, designate in writing and forward to the others, as provided herein.

**3.6. Captions.** Any captions in this agreement are for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

**3.7. Counterparts.** This agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

**3.8. Governing law.** This agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

**3.9. Venue.** Any action brought upon or pursuant to this agreement shall be venued in District Court in and for Sibley County, Minnesota.

**3.10. Protection of interests.** If any party fails to perform any of its obligations as set forth in this agreement, another party – at its option – may cause the same to be performed and deduct the costs of such performance from amounts then due the party in default or charge such costs as an amount immediately due and payable by the party in default.

**3.11. Amendment.** This agreement may be modified or amended but only by a written instrument that expressly states that it constitutes such an amendment and that is signed by the parties hereto.

**3.12. Entire agreement:** This contract contains the entire agreement between the parties, and no party has relied upon any verbal or written representations, agreements, or understandings not set forth herein.

**3.13. Binding effect.** This agreement shall inure to the benefit of and shall bind the City and Golden Hearts, their respective successors and assigns.

**Dated:** \_\_\_\_\_, 2007.

**Golden Hearts, Inc.**

**City of Arlington, Minnesota**

By: \_\_\_\_\_

By: \_\_\_\_\_

Mayor

By: \_\_\_\_\_

Attest: \_\_\_\_\_

City Administrator

STATE OF MINNESOTA, COUNTY OF SIBLEY) ss.

The attached "DEVELOPMENT AGREEMENT" was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 2007, by \_\_\_\_\_ and \_\_\_\_\_, the \_\_\_\_\_ and \_\_\_\_\_ of Golden Hearts, Inc., a corporation under the laws of Minnesota, on behalf of the corporation.

(seal)

\_\_\_\_\_  
Notary Public

STATE OF MINNESOTA, COUNTY OF SIBLEY) ss.

The attached "DEVELOPMENT & BUSINESS SUBSIDIES AGREEMENT" was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 2007, by \_\_\_\_\_ and \_\_\_\_\_, the Mayor and City Administrator, respectively, of City of Arlington, Minnesota, a municipal corporation under the laws of Minnesota, on behalf of the City.

(seal)

\_\_\_\_\_  
Notary Public

Asst. Ambulance Manager Lueth stated that the ambulance service has been advertising for new members, which are greatly needed. He stated that the new ambulance should be done soon. He explained that the number of runs is down compared to this time last year, probably due to the fact that they are not doing as many transfers now because the hospital has more of its own equipment. He added that they are very shorthanded now, but they did get the variance from the State so they can run with 1 EMT and 1 First Responder. The variance is only good for 6 months, but they can reapply. He stated that they are only trying to use the variance during the day when they are the most shorthanded. They would like to see additional 4-5 new members on the ambulance service. Ambulance Manager Thomes talked about some of the new equipment that the ambulance service has acquired since the beginning of the year (4 new portable radios, new AED, new blood pressure monitor-purchased by the Association). Thomes explained that they are researching the cost of a rescue ATV (6-wheel) with trailer, which would be shared with the Fire Department and paid for by the 2 Associations. Thomes stated that the ambulance service holds training sessions every other month, which a helicopter training is scheduled next week and invited the Council to come to observe. He stated that they have added 2 new members since the beginning of the year (1 full-time and 1 for the races). Thomes spoke on the change over within the service as far as membership and retention thereof, along with recruitment. Schultz suggested putting something on the website for recruitment. Thomes spoke on the possible hospital take over of the ambulance service from the City. Griep will speak to the Hospital Board about re-visiting the idea of the hospital managing the ambulance service instead of the City. Thomes commented on the ambulance budget (revenues and expenses).

Mayor Kreft commented that back in April he and 7 individuals had attended a Comprehensive Plan seminar in St. Paul. They also just recently met with a consultant from the seminar to discuss starting a plan for the City of Arlington. It was agreed during the meeting that a Comprehensive Plan Exploratory Task Force should be created to initiate the plan for the City of Arlington. Reetz explained that this task force would have to report to both the Planning & Zoning Board and the Council, but would write up a Request for Qualifications (RFQ), evaluate them, and make advisory notes to the Council. A timeline and budget would have to be created for the next 12-18 months for the entire process involved with creating the plan. Vrklan and Schultz commented on the GIS (Geographical Information System) that is used along with a Comprehensive Plan. Considerable discussion was held on what the function of a Comprehensive Plan is.

Motion by Griep, seconded by Reetz, and passed by unanimous vote to establish a Comprehensive Plan Exploratory Task Force.

Motion by Vrklan, seconded by Wills, and passed by unanimous vote to appoint P&Z Members Dwight Grabitske and Darin Mielke, City Staff Members Harry Jenness and Denny Schultz, Councilmembers Curt Reetz and Mike Vrklan, and Mayor Jim Kreft as an Ex-Officio.

Attorney Arneson spoke on the Library Committee and the need to create a non-profit corporation for said committee. The corporation would act as a fundraising and/or promotional group, like the Hospital Foundation and Historical Society are. The Library Committee had come up with a name for the corporation (Arlington Public Library League –APPL) and asked Attorney Arneson to handle the necessary paperwork for starting said corporation. He stated that he volunteered to handle the incorporation at no charge, excluding the State filing fee, as he has done in the past for other community non-profit organizations. Arneson explained that the Library Committee would become the Board of Directors for the Corporation. The second step in the process is obtaining a tax exempt status for the Corporation from the IRS; Arneson explained how this is done.

Motion by Reetz, seconded by Griep, and passed by unanimous vote to proceed with creating the Arlington Public Library League (APPL) non-profit corporation and to obtain a tax exempt status for said corporation.

Discussion was held on (boulevard) trees. Attorney Arneson stated that the City has an ordinance (#89) that had been enacted during the Dutch elm disease crisis (1979). Said ordinance states that the City would remove all dead boulevard trees, but leave the stump, which implied (not completely clear) that the City would be

responsible for the cost of the removal of the tree and the adjoining property owner would be responsible for the cost of removing the stump. He stated that after further review of the ordinance, Interim Administrator Schultz provided information acquired from other cities and found that in most cases (relating to boulevard trees) the costs were split equally and the City provided a replacement tree. Arneson added that the current ordinance gives the City authority to control disease, which includes trees on private property to ensure public health, safety and overall appearance of Arlington. Arneson stated that the ordinance made reference to a Shade Tree Board and City Forester, so he researched further and found Ordinance No. 62, which had been passed in 1974. The ordinance called for the appointment of 7 members to a Shade Tree Board and City Forester. In recent years, the City has been operating without the Tree Board and City Forester as all elm trees had been cut down and there really wasn't a need for either anymore. Arneson commented that due the current number of committees, another one really was not wanted at this time, and suggested including this as another function of the Parks Committee and/or another already existing committee. He commented that as far as City Forester was concerned, to find someone within the community that had the knowledge/expertise and would be interested in the position or to contract out for the position. Attorney Arneson and Interim Administrator Schultz will draft a revised tree ordinance and present it at a future meeting.

Attorney Arneson spoke on the Mayor and Council fees (annual salary, fee for special meetings and number of special meetings, plus the idea of adding a COLA clause). He stated that he feels the Mayor/Council are doing 3-5 times the amount of work as say the Mayor/Council of 20-30 years ago, which is a terrific burden and they should be compensated accordingly. It was his suggestion to revise the ordinance by giving a salary increase, remove the cap from the number of paid special meetings and include a COLA. He also suggested surveying surrounding communities to see what they are paying. Reetz commented that the term "special" meeting should also be clearly defined (what is considered to be a special meeting) within the revised ordinance. Attorney Arneson will draft a revised ordinance and present it at a future meeting.

Discussion was held on the proposed pet ordinance. Attorney Arneson reviewed the proposed changes (number of pets, clauses pertaining to vet clinic operations, invisible fencing, and stray boarding time, etc.). Some discussion was also held on the number of stray cats and what can be done about them. Reetz expressed concern for pedestrians' rights when they are walking/biking and are chased by dogs. Attorney Arneson stated that the property owner can be prosecuted so long as the pedestrian and/or witness (es) are willing to testify in court. He also stated (encouraged everyone) that if this occurs, it should be reported whether it be to the City Office, Police Department or even his office, because it is a violation of the ordinance. It was the consensus of the Council to have the first reading of the proposed pet ordinance on the agenda for the next meeting.

Wills questioned if there was an ordinance that covered the need for mufflers on race cars. Attorney Arneson stated that there was and a specific decibel level (106) was included. Attorney Arneson stated that the FairBoard and/or owners of the Raceway are supposed to be monitoring the noise levels. Vrklan stated that he had talked with Code Enforcement Officer Jenness about this and Jenness was going to investigate it with the FairBoard. It was agreed to let staff check on this and put it on the agenda for the next meeting.

Councilmember Reetz introduced the following resolution and moved for its adoption:

#### RESOLUTION NO. 17-2007

#### RESOLUTION IN SUPPORT OF THE MINNESOTA VALLEY REGIONAL RAIL AUTHORITY

Whereas, the ongoing and growing demand for shipping by rail is increasing, and

Whereas, the online addition of a new municipal solid waste gasification facility and future planned expansion of the biodiesel plant requires rail rehabilitation and improvement, and

Whereas, the joint venture relations with other rail lines opens additional markets to the western United States, and

Whereas, additional renewable fuels expansions will require upgraded rail for transport to national markets to the East and barge shipments to the Gulf States, and

Whereas, the expansion of ethanol facility at Winthrop has greatly increased rail car shipments on the MVRRA line, and

Whereas, the Minnesota Valley Regional Rail Authority, a joint powers board serving five counties owns and maintain 94 miles of rail, and provides service for shippers on a larger regional basis, and

NOW THEREFORE BE IT RESOLVED that the \$20 Million Federal appropriation grant be released to the Minnesota Department of Transportation Division of Freight Rail and Waterways for administration of a rehabilitation of rail from Norwood Young America to Hanley Falls, Minnesota, and

FURTHER BE IT RESOLVED, that the Minnesota Department of Transportation will prepare plans, specifications, and bid documents for said project and administer the rehabilitation to completion and final inspection.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Griep and upon poll being taken thereon the following voted in favor thereof: Griep, Reetz, Vrklan, Wills; and the following voted against the same: None; and the following abstained from voting: None; and the following were absent: Borchert.

Adopted by the City Council of the City of Arlington this 4<sup>th</sup> day of June, 2007.

/s/ James R. Kreft  
Mayor of Arlington

/s/ Dennis P. Schultz  
Interim City Administrator

The Council discussed the request from Arlington Haus owner Denise Swenson (on behalf of the Chamber of Commerce) for a 1-Time Temporary On-Sale 3.2 Malt Liquor license for a kickball tournament to be held at Four Seasons Park during the Town & Country Days Celebration.

Motion by Reetz, seconded by Wills, and passed by unanimous vote to issue a 1-Time Temporary On-Sale 3.2 Malt Liquor License to Denise Swenson of the Arlington Haus for a kickball tournament to be held at Four Seasons Park in conjunction with the Town & Country Days Celebration pending City Attorney Arneson's review and conditions.

The Council reviewed the following correspondence with no action being taken:

- 1) Sibley County Foodshare Invitation
- 2) May Building Permit Report from P&Z Administrator Jenness.

Vrklan commented on the most recent Library Committee meeting. He stated that Attorney Arneson was present and answered many questions and was very helpful to the group. Mayor Kreft agreed. He stated that the group had agreed to meet monthly for a period of time, at least until non-profit issues were taken care of, and then quarterly thereafter.

Griep stated that there are a lot of things happening at the hospital; the last meeting was long and very interesting. Mayor Kreft added that the hospital is doing very well financially, but experiencing some employee growing pains so to speak. Vrklan questioned which direction the environment was going (moving forward or stagnant). Mayor Kreft commented that they are hoping for an upswing at the next meeting (in a couple of

days) and are continuing to work on it. Vrklan commented that he has been hearing genuine concerns coming from within the community.

Schultz reminded the Council of the Utility Committee meeting being held tomorrow, which will primarily deal with the ICS issues and the city electrical issues. He stated that representatives from Heartland Engineering Services, USG and McLeod Power will be present. He stated that representatives from PeopleService will be present briefly.

Griep gave a brief update on the Cable Commission. He stated that they are in the process of upgrading some equipment for Channels 7 & 8. The Commission is looking to do more technology-type grants for the various community libraries in fall. They give money for technology needs to the high schools every year, which was increased to \$5,000 last year. Griep stated that the Commission is always willing to entertain a request from any city as they pay the franchise fees (are the customers) and it is only right that the money go back to the cities. He stated that the County is going to start broadcasting the County Commissioner meetings in September.

Schultz commented that the budget process will be starting soon, which will entail scheduling meetings with the various department heads and committees.

Wills commented that he would like to see meeting minutes from all the various committees included in the Council packets so the Council can be more informed of what is happening within the other committees that they are not a part of. Schultz commented that they are already available on the City's website by Committee/Department once they have been officially approved. It was noted that the Park Board and Police Committee meeting minutes would also be posted on the website as they are public meetings.

Mayor Kreft questioned if the money had been released yet for the Small Cities Development Grant program. Schultz commented that it had not.

Brief discussion was held on LGA and when they will be notified of how much each city will be getting.

Mayor Kreft commented that staff had met with Jeff Hennen about annexation, which he was reluctant to do so.

Reetz commented that he has been hearing (not very good) things about the current situation with the Police Department and the Sheriff's Department. He recommended that it be addressed at the next Police Committee meeting. Mayor Kreft and Vrklan both commented that the meetings appear to be improving.

Mayor Kreft commented that a meeting needs to be set up with Seneca Foods. Wills commented that he had spoken with Borchert and they were looking at dates. Mayor Kreft questioned if Attorney Arneson needed to be present at the meeting. It was suggested to just have the initial meeting with Seneca and the Council Committee and then go from there.

Motion by Griep, seconded by Reetz, and passed by unanimous vote to adjourn the meeting at 9:17 pm.

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Interim Administrator Dennis P. Schultz

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Mayor James R. Kreft