The Houston City Council met in regular session on February 9, 2015 at 6:00 p.m. in Houston City Hall. Mayor Edwards called the meeting to order with the Pledge of Allegiance. Present were: Mayor Connie Edwards, Kevin Knutson, Tony Schultz and Cheryl Sanden. Also present were: Chris Peterson, Larry Jerviss, Audrey Hegland, Randy Thesing, Ed Jacobs, Ellyn Baumann, Attorney Jed Hammell, Grant and Vicki Olson, Brian Olson, Jim Kochie of Davy Engineering and Audrey Alfson.

Changes to the Agenda / Public Comment: None. Mayor Edwards stated that Council meetings will be videotaped and placed on the City's web site.

Water Treatment Project: Jim Kochie, of Davy Engineering, detailed the steps necessary in the radium removal project; they include preliminary planning, design, financing, bidding, construction and operation.
The first step in this project will be the preparation of a Preliminary Engineering Report that will evaluate the current water system and also determine future needs and demands on the system. The Report will also address the radium issue and evaluate the best and most cost-effective solution as well as the financing necessary and impact on the user. The budget for this Report will be $10,000. MOTION BY SANDEN, SECONDED BY SCHULTZ TO APPROVE DAVY ENGINEERING'S BUDGET OF $10,000 TO PREPARE A PRELIMINARY ENGINEERING REPORT FOR THE RADIUM REMOVAL PROJECT; MOTION CARRIED UNANIMOUSLY.

Peterson had included in the Council packet information about a potential grant to cover the expenses in planning the radium project. MOTION BY SCHULTZ, SECONDED BY KNUTSON TO APPLY FOR RADIUM PROJECT GRANT FOR PLANNING EXPENSES; MOTION CARRIED UNANIMOUSLY.

Waste Water Treatment Plant: Jim Kochie inspected the City's wastewater treatment plant and submitted a report on his findings, including an itemization of areas that will need repair or replacement. The most urgent was to replace the clarifier. Overall, he said it is a good facility, barring no changes in permit requirements. The MN Pollution Control Agency is in the process of creating rules for phosphorous removal, which may impact the facility.

Kochie described in detail the items that should be considered for future replacement or repair at the wastewater treatment plant, and that wherever possible, the work could be completed by staff or local contractors. He stated that completing all of the wastewater repairs as one project may increase the eligibility for grants or reduced interest loans.

Annexation: Attorney Jed Hammell stated that this project has been under way for three years. During this time, he has been working with the township and landowners to reach an agreement, and there are still some areas unresolved. While he will continue to work with these groups, Hammell suggested a time frame and recommended the City move forward to the next step. This would be to approve a resolution to authorize the City Administrator and City Attorney to file a petition for Annexation, and send a 30-Day Notice of Intent to the landowners and township. He noted the City can still reach an agreement during this time; otherwise upon expiration of the 30-day Notice of Intent, the petition will be filed with the appropriate officials.

Much of the land is City-owned, Parcels No. 06.0244.001, 06.0243.000, 06.0331.000, 06.0332.000, 06.0322.000, and 06.0333.000. Other properties to be included are parcel numbers 06.0329.001, 06.0236.001, 06.0238.000, 06.0394.000, 06.0237.000, and portions of 06.0329.000. After further discussion, MOTION MADE BY SANDEN, SECONDED BY KNUTSON TO APPROVE THE RESOLUTION FOR ANNEXATION PROCEEDINGS OF INCORPORATED AREAS OUTSIDE OF THE CITY LIMITS AS IDENTIFIED, WITH THE ADDITION OF THE THREE RESIDENTIAL PROPERTIES ALONG SOUTH CHASE STREET; MOTION CARRIED UNANIMOUSLY. Hammell will provide written 30-day Notice of Intent to the Township and property owners prior to filing the petition.

Tax Increment District Amendment: The Root River Properties TIF agreement was originally in three phases; two have been completed and now the owners are requesting TIF assistance for the third phase - to demolish an existing building and build a two-unit twin home or a six-unit multi-family rental unit, which would be similar to the existing eight-plex unit that was Phase I. Peterson stated that the Phase three would be for 20 years and not include an additional administration fee. MOTION MADE BY SANDEN, SECONDED BY SCHULTZ TO AUTHORIZE PETERSON TO MOVE AHEAD WITH THE TIF CONTRACT; MOTION CARRIED UNANIMOUSLY.

Community Garden: Audrey Alfson spoke on behalf of the Community Garden, stating that formerly it had operated under the umbrella of the Friends of the Nature Center. Now, since the Festival of Owls is no longer under the Friends, they no longer have liability insurance. She asked that the Garden be placed under the City's umbrella. The Friends have enough funds to dig the well needed to water the Garden, and they will continue to fundraise for the Garden's support. After discussion, MOTION MADE BY SCHULTZ, SECONDED BY SANDEN, TO PLACE THE COMMUNITY GARDEN UNDER THE CITY'S UMBRELLA, AND WORK DIRECTLY WITH THE MAINTENANCE DEPARTMENT; MOTION CARRIED UNANIMOUSLY.

Set Public Hearing – 2014 MN Basic Code of Ordinances: A Public Hearing is required prior to the adoption of a revised fee schedule and the 2014 Update of the Basic Code of Ordinances. The annual Board of Appeals will be held on Monday, April 13, 5:30 p.m. followed by this public hearing at 6:00. Regular Council meeting to follow.

Community Center – Storage Room and Summer Rec Equipment Damage: The water damage done to the room and equipment stored there has been evaluated by the insurance adjuster; a claim for $10-12,000 was determined as value lost, which will be covered by insurance. New shelving will be required; of the types considered, those made by Flex-Craft offered the best quality and multi-purpose usage. Therefore, MOTION MADE BY SANDEN, SECONDED BY KNUTSON, TO AUTHORIZE THE PURCHASE OF SHELVING FROM FLEX-CRAFT FOR $822.26; MOTION CARRIED UNANIMOUSLY. Sanden requested that Peterson give Matt Schutte and Ethan Scheck a budget for equipment based on the Insurance Amount.

Minutes: MOTION BY SANDEN, SECONDED BY SCHULTZ, TO APPROVE THE JANUARY 12 MINUTES; MOTION CARRIED UNANIMOUSLY.

Financial Report: Jerviss reviewed the accounts payable and provided an overview of the current budget; he will be establishing a Community Garden account, since this will now function under the City's auspices. MOTION BY SCHULTZ, SECONDED BY SANDEN, TO APPROVE THE FINANCIAL REPORT AND PAY THE BILLS; MOTION CARRIED UNANIMOUSLY. Jerviss noted that the auditors will be here the week of February 9.

Department Reports:

Maintenance: Thesing reported that the snow piles have been hauled away. He requested and received permission to advertise for part-time help, so they can be approved at the Council's April meeting. He noted that it worked well last year with two workers.

MOTION BY SCHULTZ, SECONDED BY KNUTSON, TO ADJOURN AT 7:05 PM; MOTION CARRIED UNANIMOUSLY. The Fire Board met directly after the Council meeting.