

Present: Mayor - Larry Franzen
Council members Jeff Kennedy
Jim Aden
Roger Dudley
City Administrator Bruce Clymer
City Clerk Connie L. Dalrymple
City Attorney Mike Bacon

Absent: Council member Gary Norseen
Police Chief Randy Olson

Press: Gothenburg Times - Beth Barrett

Also present: Shane Gruber, Eppie Sisneros, Joan Windrum, Darin Messersmith of Sargent Irrigation, Garret Kline of Olsson Assoc., Jeff Whiting, Blaine Peterson,

Mayor Franzen opened the meeting and 2006-07 budget hearings at 7:05 p.m. Advance notice and a copy of the agenda were given to the Council and members of the press. City Council meetings are conducted in accordance with the Open Meetings Act, a copy of which is available for public inspection on the north wall of the Council Chambers.

The finished budget proposal is as requested at the August 29 work session. There is no increase in the levy but the tax asking will increase to \$407,927.22 due valuation increases.

Blaine Peterson expressed concern at the additional \$2000 / month moving from the Public Works Division to the City General Fund as payment for services. He cautioned overspending and would like to see the budget reduced. Specific items were discussed, including employee shirts, the walking trail to the golf course, and janitor service.

Property taxes were significantly reduced by the 1% sales tax and while the valuation increases taxes, it's by 2.9%, which is less than the consumer price index. Budgeted items are not automatic purchases.

Dudley moved, Kennedy seconded to close the budget hearing at 7:12 p.m. Roll call vote: Yea – Aden, Kennedy, Dudley. Nay – none. Absent and not voting – Norseen.

Dudley moved, Aden, seconded to approve the additional 1% restricted funds authority. Roll call vote: Yea – Kennedy, Aden, Dudley. Nay – none. Absent and not voting – Norseen.

Dudley moved, Kennedy seconded, to approve the 2006-07 budget of municipal funds as presented. Roll call vote: Yea – Aden, Kennedy, Dudley. Nay – none. Absent and not voting – Norseen.

Kennedy moved, Aden seconded, to earmark the Countryside Lane assessments to the Debt Service Fund. Roll call vote: Yea – Dudley, Kennedy, Aden. Nay – None. Absent and not voting – Norseen.

The public hearing to set the final tax levy was taken up at 7:14 p.m.

As presented, the budget carries a tax levy of .318786 producing tax receipts of \$407,927.22. The Airport Authority budget request of \$45,792.79 will increase the levy to .354572. Brief discussion was had and Kennedy moved, Dudley seconded, to close the hearing at 7:15 p.m. Roll call vote: Yea – Aden, Kennedy, Dudley. Nay – none. Absent and not voting – Norseen.

Dudley moved, Kennedy seconded to pass and approve Resolution 2006-10 setting the 2006-07 tax levy as presented and discussed. Roll call vote: Yea – Aden, Kennedy, Dudley. Nay – none. Absent and not voting – Norseen.

Aden moved, Dudley seconded, to approve the consent agenda that included:

City Council minutes – September 5

Treasurer's Report - August

Roll call vote: Yea – Kennedy, Dudley, Aden. Nay - none. Absent and not voting - Norseen

Dudley moved, Kennedy seconded, allowing payment of the claims against the City, \$37,770.19, except #1047; Public Works Division \$373,464.49; and the September 7 payroll of \$26,732.17. Roll call vote: Yea – Aden, Kennedy, Dudley. Nay - none. Absent and not voting – Norseen.

Kennedy moved, Aden seconded, allowing payment of claim #1047 to the Animal Hospital. Roll call vote: Yea – Kennedy, Aden. Nay – none. Absent and not voting – Norseen.

- The old push mower we use for mowing lots and the overpass has quit working and we'd like to consider commercial walk behind brush type mower. It would handle the big weeds, and eliminate time mowing. The budget includes a \$40,000 reappropriation for future equipment needs and we estimate this mower to cost about \$1200. Council had no objection to researching available models and prices.
- We are currently placing ERTS (electronic read transmitters) in water meters as the meters are replaced.

After submitting a *Notice of Intent to Apply for Grant Funds* to the Transportation Enhancement Program for the hike trail along the Gothenburg Canal to Wildhorse Golf Course, representatives of the Department of Roads toured the site and made two recommendations to enhance the application:

1. Include a trail grade road crossing at the end of the bridge. Administrator Clymer will talk to the Homeowners Association about building a road connecting the trail to the golf course.
2. Include a trailhead on the north side of the bridge with a shelter or benches and shade trees.

The grant requires 20% cost share, approximately \$103,000, on the project, and agreement to operate and maintain the trail. Dudley moved, Aden seconded, to pass and approve Resolution 2006-11 to apply for the Transportation Enhancement Program grant to build a hiking trail from the Gothenburg Canal to Wildhorse Golf Course. Roll call vote: Yea – Kennedy, Aden, Dudley. Nay – none. Absent and not voting – Norseen.

The water, sewer, and paving assessments in the Hilltop Estates Subdivision are delinquent. Discussion was had on granting the Redevelopment Authority funds sufficient to pay the delinquency and other debt held by Gothenburg State Bank. Assessments will be repaid as lots are sold.

Dudley moved, Kennedy seconded, to pass and approve Resolution 2006-12 granting \$180,000 from the sales tax fund to the Redevelopment Authority for payment of debt and assessments. Roll call vote: Yea – Aden, Kennedy, Dudley. Nay – none. Absent and not voting – Norseen.

During the establishment of the Baldwin expansion, CROWN housing, and ethanol plant projects, the City has, and will, incur expenses for utility extension, advertising, engineering fees and assorted other costs related to the projects. Resolutions will allow us to recoup those costs through the bond process when the projects are completed.

Dudley moved, Kennedy seconded, to pass and approve Resolution 2006-13 declaring intent to incur indebtedness for improvements to the sanitary sewer infrastructure. Roll call vote: Yea – Aden, Kennedy, Dudley. Nay – none. Absent and not voting – Norseen.

Kennedy moved, Aden seconded, to pass and approve Resolution 2006-14 declaring intent to incur indebtedness for improvements to the street system. Roll call vote: Yea – Dudley, Aden, Kennedy. Nay – none. Absent and not voting – Norseen.

Aden moved, Kennedy seconded, to pass and approve Resolution 2006-15 declaring intent to incur indebtedness for improvements to the water system infrastructure. Roll call vote: Yea – Kennedy, Dudley, Aden. Nay – none. Absent and not voting – Norseen.

Kennedy moved, Dudley seconded, to pass and approve Resolution 2006-16 declaring intent to incur indebtedness for improvements to the electric system. Roll call vote: Yea – Aden, Dudley, Kennedy. Nay – none. Absent and not voting – Norseen.

Aden moved, Dudley seconded, to pass and approve Resolution 2006-17 naming depositories for fiscal year 2006-07. Roll call vote: Yea – Kennedy, Dudley, Aden. Nay- none. Absent and not voting – Norseen.

According to Darin Messersmith of Sargent Irrigation, the Lake Helen well is operating at 20% capacity because the bearings are out. Bearings and shaft were replaced in 1992, 1994, and 1999. The damage is caused because the well runs in the winter and is open to the elements. If we install a water lube system, there will still be wear on the top 47 feet until pumped water gets to it for lubrication

Another option is a submersible pump with a 40 hp motor, column, 5-stage bowl and base. It would be virtually maintenance free for 15 years unless struck by lightning, and with 3200 rpm would be capable of pumping 1000 gallons per minute.

Proposed options for well repair are:	oil lube motor	\$7109
	Water lube motor	\$7432
	Submersible pump	\$10,698

Dudley moved, Kennedy seconded, approving Sargent Irrigation's proposal for a submersible pump at \$10,698 to repair the Lake Helen well. Roll call vote: Yea – Aden, Kennedy, Dudley. Nay – none. Absent and not voting – Norseen.

Garrett Kline of Olsson Assoc discussed the transformer required to serve the ethanol plant. It's has a large capacity, will cost between \$500,000 and \$600,000, and will require seven to ten months construction / delivery time. The transformer will be delivered, off-loaded, and tested (for damage in-transit) at the site prior to acceptance.

Discussion was had on whether to request firm bids or variable commodity bids. With the volatile prices for copper, paper, and steel it will be difficult to prepare bids. If we request a 'firm' bid, providers will quote high because they don't know what the market will do. A variable commodity request will allow them to quote prices at the time of bid.

Concerns were expressed with each method but ultimately Kennedy moved, Aden seconded, authorizing preparation of variable commodity bid requests for the transformer at the ethanol site. Roll call vote: Yea – Dudley, Kennedy, Aden. Nay – none. Absent and not voting – Norseen.

Bids will be advertised September 27, October 4 and 11, and opened October 25 at Olsson Assoc office. A recommendation will be made at the November 7 meeting.

Discussion was had on speed limits on Highway 47 south from 27th Street and the sidewalk curb at 20th and Lake Ave that inhibits handicap movement. Administrator Clymer will contact the Department of Roads about reducing the speed limits by 5 mph and we will remove the curb at the sidewalk on 20th Street.

Kennedy moved, Dudley seconded, to adjourn the meeting at 8:15 p.m. The next regular meeting will be October 3 at 7:00 p.m.

Larry Franzen Mayor

Connie L. Dalrymple, City Clerk