

Pursuant to due call and notice thereof, a City Council Meeting was duly held in the City Council chambers at 7:03 p.m. on the 12th day of January, 2016. The following members were present: Mayor Mike Engel, Council Members, Fred Barsness, Richard Nielsen, John Mortensen, and Doug Henke. Also present: Administrator Mark Vahlsing, Engineer Joe Rhein, Attorney Scott Riggs and Administrative Assistant Pam Blow.

CITIZEN COMMENTS

Wayne Medcraft informed the council of a fundraiser/dinner to be held on January 30th from 5 – 8 p.m. It is sponsored by the American Legion, and proceeds will benefit the youth baseball program and others.

ADOPT AGENDA

Motion by Nielsen seconded by Mortensen to approve the agenda as presented. Motion carried 5-0-0.

CONSENT AGENDA

Motion by Nielsen seconded by Mortensen to approve the Consent Agenda, which includes payment of check numbers, 64078 through 64231; 2477E through 2500E; and additional checks 64255 through 64268. Motion carried 5-0-0.

ENGINEERING

1st Street Reconstruction Project – Plans and Specifications

According to Engineer Rhein, the plan set for the project is completed, along with a cost estimate. The next step is to advertise for bids. The sidewalk extension along the north side of 1st Street will be listed as an alternate. The hydrant will be done by KMU and has been removed from the plans. The engineers estimate was \$538,982, which is \$23,705 less than the estimate given in the feasibility report. After some discussion, it was determined that the request for bids would be published in the Kenyon Leader (January 27th) and a trade publication (January 27th and February 3rd). The bid opening would be at City Hall at 2 p.m. on February 25, 2016. The council would consider award of the bid at their meeting on March 8, 2016.

Resolution 2016-04: A Resolution Approving Plans and Specifications and Authorizing Call for Bids

Motion by Engel, second by Nielsen to approve Resolution 2016-04. Motion carried 5-0-0

Update on Fire Facility Project

According to Engineer Rhein, the architect is refining the project and laying out various systems. Rhein suggested that a work session be held on February 9th, prior to the regular city council meeting to review the plans. The USDA funding application is partially complete, and it should be done in early February, according to Rhein. Advertising for bids should occur in April.

LEGAL

2016 Appointments and Designations

- Planning Commission – 2 Year Term – Donald Woodward, Dennis Wickum, Dan Lexvold
- Public Utility Commission – 3 Year Term – Jim Malloy
- Library Board – 3 Year Term – Pat Senjem
- Economic Development Authority – 4 Year Term – Mike Engel
- Miscellaneous Appointments
 - a. Acting Mayor – Fred Barsness
 - b. Legal Newspaper – Kenyon Leader
 - c. Depository – Security State Bank
 - d. City Attorney – Scott Riggs, Kennedy & Graven
 - e. Prosecuting Attorney – David Jacobsen, Hero, Jorstad & Jacobsen Law Firm, PA
 - f. City Engineer – Joe Rhein, Bolton & Menk
 - g. City Auditor – Smith ♦ Schafer and Assoc., Ltd
 - h. Financial Consultant – Per Project Basis
 - i. Investments – As Allowed Per Minnesota Statutes
 - j. Deputy Clerk – Pam Blow
 - k. Weed Inspector – Mike Engel
 - l. Audit Committee – Rick Nielsen, Sue Dodds and Mark Vahlsing
 - m. Personnel Committee – Mike Engel, Fred Barsness and Mark Vahlsing
 - n. Liquor Committee – Diane Barrett, Rick Nielsen, Bryan Haugen and Mark Vahlsing
 - o. Kenyon Fire Relief Association – Mike Engel, Mark Vahlsing

Motion by Barsness, seconded by Nielsen to approve 2016 appointments. Motion carried 5-0-0.

Resolution 2016-01: Establishing License Fees and Compensation

Motion by Nielsen, seconded by Mortensen to approve Resolution 2016-01. Motion Carried 5-0-0.

VFW Annual Dance Permit

Annual Refuse Licenses

Flom Disposal Inc., Gibson Sanitation, Countryside Disposal (Commercial, Temporary rolloff, dumpster)

Annual Recycling Licenses

Flom Disposal Inc., Goodhue County Public Works, Waste Management

Annual Sidewalk Obstruction Licenses

Kenyon Ace Hardware, Kenyon VFW Post 141, Kenyon Leader, Write On, Schweichs, Mary's Rustic Rose

Motion by Barsness, seconded by Henke to approve the above Dance Permit, Sidewalk Obstruction Licenses, Refuse and Recycling licenses, with the exception of Waste Management's Refuse license that will be discussed under New Business / B /. Motion carried 5-0-0.

Kennedy & Graven 2016 Rates for Legal Services

According to the letter from Attorney Riggs, there will be a small increase in the hourly rate. Motion by Engel, second by Nielsen to approve the rates for legal services. Motion carried 5-0-0.

LTD Broadband Water Tower Lease Agreement

This item and Resolution 2016-02 (Approving the Agreement) was tabled.

OLD BUSINESS

Fire Hall Financing – George Eilertson, Northland Securities

According to Mr. Eilertson, the USDA loan process is going well and the loan would be for up to 40 years at 3-5/8% interest. With a USDA loan, no funding will be allocated during construction, so interim financing will be required. Mr. Eilertson estimates that interim interest during construction will cost \$31,000. The interim financing would be needed starting in May or June, 2016, for several months. The interest rate would be less than one percent because of the short term, and can be rolled into the permanent financing. According to Eilertson, Northland will provide recommendations for the short-term financing and they will approach local lenders.

When the cost of the Fire Department is known, the Capital Improvement plan bonds required by the USDA are in place and we will be ready to provide security for the loan. The Capital Improvement bonds are tied to market value (estimated to be \$90 million) and would include all debt. Mr. Eilertson will be discussing the repayment of the City Hall debt with Administrator Vahlsing in an effort to satisfy the maximum allowable principal and interest of the USDA loan. Currently, it is estimated that annual payments can be no more than \$143,000, and we would need to stay at or below that amount, including the new fire hall.

NEW BUSINESS

City Council Recite the Pledge of Allegiance at the beginning of Council Meetings

This request, made by Councilman Henke, would be a way to give back and pledge to our country. According to Attorney Riggs, reciting the Pledge is a local decision. Motion by Mortensen, second by Barsness to recite the Pledge of Allegiance prior to the start of future council meetings. Motion carried 5-0-0.

Discuss Issues with Waste Management Residential Solid Waste Pickup

According to Administrator Vahlsing, everyone in the City office does not take this lightly, and we would always try to work things out with a vendor. We are entering our third year with WM, and there have been many problems with missed pickups being primary. The first year was a transition from a local hauler to a large company. The problem is that we continue having issues with missed pickups, which result in staff time to contact WM to resolve the issue. Administrator Vahlsing informed WM that the issue of continued missed pickups would be brought back to the council. If a new company were to come in, they would need to buy carts.

Attorney Riggs noted that our agreement with WM follows the City Code and statutes. If the council would decide to change contractors, according to the contract, it would have to be for "cause". According to Riggs, we are not prevented from seeking quotes from other vendors. Riggs noted that the City doesn't want to be without this service, and there is no cancellation option in the contract for WM. Councilman Barsness commented that a new company would want to have a 4-5 year contract. Councilman Mortensen noted that Zumbrota just ended their contract with WM. Councilman Henke noted that his main concern is not having a hauler.

Motion by Nielsen, second by Engel to approve a 90-day residential refuse license for WM; inform WM

of the issues/concerns; and get quotes from other haulers. Motion carried 5-0-0.

Resolution 2016-03: A Resolution Authorizing Acceptance of 2015 Donations

Motion by Barsness, seconded by Nielsen to approve Resolution 2016-02. Motion carried 5-0-0.

Resignation of Scott Quamme from Kenyon Fire Department

Councilman Henke mentioned awarding Mr. Quamme with some type of recognition of his service. This will be discussed with Fire Chief John Lee. Motion by Nielsen, seconded by Mortensen to approve the resignation. Motion carried 5-0-0.

Request for Increase in monthly Fee for Prosecution Services

According to the letter from Attorney David Jacobsen, the fee would increase \$50 per month, and total \$12,000 per year. Attorney Riggs commented that he highly recommends Jacobsen's services as the prosecutor.

Motion by Engel, seconded by Nielsen to approve the fee increase. Motion carried 5-0-0.

Carriage & Cutter Day Requests for February 27, 2016

Motion by Mortensen, seconded by Henke to approve the street closings, parade route/permit, detour and parking restrictions, use of Fire Hall for the meal, and \$1,000 donation. Motion carried 5-0-0.

OTHER BUSINESS

Schedule of Upcoming Meetings

EDA Annual Meeting: Tuesday, January 26th @ 8 a.m. at Foldcraft

SEMLM Annual Meeting: Wednesday, January 27th in Byron

City Council Meeting: Tuesday, February 9th @ 7 p.m.

City Council Work Session: Tuesday, February 9th @ 6 p.m.

COUNCIL AND STAFF GENERAL COMMENTS

Engineer Rhein thanked the council for choosing Bolton & Menk as the city's engineer, and commented that it has been a pleasure working with the City over the past year.

Councilman Nielsen asked about a salary increase for the council. Mayor Engel noted that it can be put on the agenda for next month. Attorney Riggs commented that any increase would be effective after the next election.

Councilman Barsness thanked public works employees for the good job cleaning up the snow and reminded people to clean out snow around the fire hydrants.

Motion Nielsen, seconded by Mortensen to adjourn the meeting at 8:20 p.m. Motion Carried 5-0-0.

Pam Blow, Administrative Assistant

Michael Engel, Mayor

Pursuant to due call and notice thereof, a City Council Meeting was duly held in the City Council chambers at 7:00 p.m. on the 9th day of February, 2016. The following members were present: Mayor Mike Engel, Council Members, Fred Barsness, Richard Nielsen, John Mortensen, and Doug Henke. Also present: Administrator Mark Vahlsing, Engineer Joe Rhein, Attorney Scott Riggs and Administrative Assistant Pam Blow.

CITIZEN COMMENTS

None

ADOPT AGENDA

Motion by Nielsen seconded by Mortensen to approve the agenda as presented. Motion carried 5-0-0.

CONSENT AGENDA

Motion by Nielsen seconded by Mortensen to approve the Consent Agenda, which includes payment of check numbers, 64291 through 64385; 2502E through 2520E; and additional checks 64386 through 64397. Motion carried 5-0-0.

PRESENTATIONS:

Annual Prosecution Report – David Jacobsen, Attorney

According to Attorney Jacobsen, there were 56 offenses prosecuted (excluding payable citations) during 2015. He reviewed that information for the council.

ENGINEERING

1st Street Reconstruction Project – Plans and Specifications

According to Engineer Rhein, the council approved the plans at their January meeting. The bid opening for the project will be held at City Hall at 2 p.m. on February 25, 2016.

Update on Fire Facility Project

Engineer Rhein noted that the plans are 50% complete. The architect will be reviewing the plans with the City staff before completing the final document. When the plans are completed, it is anticipated the project will go for bids during the second part of April.

Transportation Funding

At the 2016 Annual City Engineers Association of Minnesota conference, Engineer Rhein attended a presentation given by the League of Minnesota Cities regarding transportation funding. For cities under 5,000 population, MNDOT is seeking legislative approval to continue highway state aid to smaller Cities. Kenyon received approximately \$42,000 in 2015.

Resolution 2016-05: A Resolution Supporting Dedicated State Funding for City Streets

Motion by Henke, second by Nielsen to approve Resolution 2016-05. Motion carried 5-0-0.

LEGAL

City Council Salary Increase

Mayor Engel distributed a League of Minnesota list-serve compilation of council salaries from various cities. Attorney Riggs noted that the last Council pay increase occurred in October of 2002. The pay increase would have to be adopted by Ordinance amendment. It would not take effect until after the next election. Councilman Henke commented that the City has a lot of expenses at the present time and it doesn't seem appropriate right now to increase the Council salaries. Mayor Engel commented that our salary structure is in the mid-range of other cities, and noted that younger citizens may be attracted to serving on the council if the compensation was higher.

OLD BUSINESS

Request for Proposal – Residential Garbage Service

According to Administrator Vahlsing, the RFP was developed using the Administrative Policy and the current contract format that the City has used for the last two haulers. The deadline for the proposals is February 26, 2016. The Council may want to schedule a work session the following week. Administrator Vahlsing noted that when reviewing the proposals the Council should take into consideration all areas covered in the RFP not just the lowest quote. Attorney Riggs noted that no comments from any respondents are required or need to be accepted at the meeting when the proposals are accepted.

Update on 2016 EDA Annual Meeting

Administrator Vahlsing noted the highlights of the January 26, 2016 annual EDA meeting. Some of the topics included providing incentives for new home construction. This would take the form of down-payment assistance in the range of \$1,500 to \$3,000. The EDA would also require a contribution from

the developer Bigelow Homes. Sites for future commercial/industrial development were also discussed. The President of Foldcraft attended the EDA annual meeting and stated that they would be interested in selling a 22 acre parcel located south of their current facility. There was also discussion at the meeting regarding a business retention/expansion survey through the University of Minnesota. The EDA will have a special meeting on February 23rd to further discuss further some of the items from the annual meeting.

NEW BUSINESS

“Lost Highway” Performance Agreement for Rose Fest Band

Motion by Barsness, second by Henke to approve the agreement for Rose Fest. Motion carried 5-0-0.

Parking in the 600 Block of 2nd Street

Chief Sjolander mentioned that he had been contacted by a downtown business owner concerned about the amount of time people are parked on 2nd Street. Mayor Engel noted that the set time for parking is done by resolution, and there are signs along 2nd Street for two-hour parking already. Chief Sjolander commented that enforcement needs to be done with consistency and fairness. He also noted that staffing is an issue for enforcement. Councilman Henke noted that he is glad to see cars parked along the street, and feels it’s a minor problem that doesn’t need fixing. Henke suggested that a notice/reminder of the two-hour parking limit be put in the paper. Councilman Barsness noted that he also is glad to see cars on the street.

Hiawathaland Transit Letter of Support

Amy Rubinski from Three Rivers Community Action addressed the council to give information on the possible establishment of transit service between Kenyon and Wanamingo. Three Rivers Community Action Agency operates Hiawathaland. It has been providing transit services in in Southeast Minnesota for 20 years. A major portion of the service is funded by state and federal sources. The “Dial-a-ride” service could not be used for out-of-town appointments, but transportation to larger cities such as Rochester is available in some cases. It must be set up in advance. Hiawathaland transit would like to do a pilot program for two years. A survey would be conducted starting in March to help determine if there is local interest in the service. Hiawathaland will come back to the council with the survey results in June or July. If enough interest is shown, Three Rivers would apply for Federal Funding by August 1, 2016, and if it is approved, the program would begin on January 1, 2017. Operating costs would be funded through rider fees. The cost of a new bus would be funded 80% by Three Rivers and 20% of the cost would require a local match. In this case it would be divided proportionately between Kenyon and Wanamingo. The estimated two year cost to the city would be \$12,000.

Schweichs Inc. Liquor License Renewal

Motion by Nielsen, seconded by Mortensen to approve the renewal of the liquor license and outdoor service area license. Motion carried 5-0-0.

2015 Wastewater Treatment Facility Operational Award

The MPCA has selected the City of Kenyon to receive this award because we have met certain criteria for submitted data and permit records from October 1, 2014 through August 31, 2015. The award will be presented at the Annual Wastewater Operations Conference in March.

Approve Hiring of Part-time Bartender/Clerk for Municipal Liquor Store

Motion by Barsness, second by Nielsen to approve the hiring of Amanda Vahlsing. Motion carried 5-0-0.

OTHER BUSINESS

Schedule of Upcoming Meetings

EDA Special Meeting: Tuesday, February 23rd @ 8 a.m. at City Hall

City Council Meeting: Tuesday, March 8th @ 7 p.m.

COUNCIL AND STAFF GENERAL COMMENTS

Councilman Mortensen congratulated Steve Baalson on the award from the MPCA

Motion Nielsen, seconded by Henke to adjourn the meeting at 8:22 p.m. Motion Carried 5-0-0.

Pursuant to due call and notice thereof, a City Council Work Session was duly held in the City Hall Council Chambers on the 9th day of February, 2016. The following members were present: Mayor Mike Engel, Council members, Fred Barsness, Richard Nielsen, John Mortensen, and Doug Henke. Also present: City Administrator Mark Vahlsing, City Engineer Joe Rhein, Fire Chief John Lee, and Administrative Assistant Pam Blow.

Township Members Present: Matthew Voxland, Bernie Overby, Steve Johnson, Arnold Petricka, Lorin Pohlman, Barb Kvittem, Jeff Traxler, Jim Donkers, Elden Ehrich, Joyce Anderson and Mark Bongers.

Mayor Engel called the work session to order at 5:32 p.m.

Fire Facility Project

According to Administrator Vahlsing this meeting will be to provide information regarding the new Fire Facility to the townships before he and Chief Lee begin meeting with townships individually.

Engineer Rhein noted that the design will be done in mid-March, and bidding should be done in late April. The City is in the second stage of the USDA loan application, and this process should be completed in about two weeks. The site/building layout will allow for future expansion. The USDA will look over the plans for the facility and then approve the funding. According to Rhein, the City will be reimbursed by the USDA after completion of construction, so interim financing will be procured.

Administrator Vahlsing noted that construction would begin in June, and the building would be ready for inside work in November. The facility would open in March, 2017. The first debt service payment would be made in 2018, and is estimated to be \$132,000. There is three years remaining in repayment of the City Hall loan (\$90,000 per year). The council has approved a phased-in levy increase to have funding for the loan payment for the fire facility. It is likely that the loan for the City Hall would be paid off ahead of schedule, and the main debt service would then be for the Fire Hall. If the old Fire Hall is sold, the proceeds of the sale would be applied to the new Fire Facility. Some furnishings from the old Fire Hall may be moved to the new facility for now.

Administrator Vahlsing commented that the City and Chief Lee would like to meet with the townships to discuss this further and to see if there will be any financial support for this facility. Current estimates for the total project are \$2,900,000, and alternates have been identified to reduce costs. According to Vahlsing, the final target cost is \$2,600,000.

There being no further business, the meeting was adjourned at 6:15 p.m.

Pam Blow, Administrative Assistant

Michael Engel, Mayor