

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 13<sup>th</sup> day of January, 2015. The following members were present: Mayor Mike Engel, Council Members, Fred Barsness, Richard Nielsen, Russ Thurmes, and Doug Henke. Also present: Administrator Mark Vahlsing, Engineer Joe Rhein, Attorney Scott Riggs and Administrative Assistant Pam Blow.

The Oath of Office was read by Mike Engel, Fred Barsness and Doug Henke.

### **CITIZEN COMMENTS**

None

### **ADOPT AGENDA**

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

### **CONSENT AGENDA**

Motion by Nielsen seconded by Thurmes to approve the Consent Agenda, which includes payment of check numbers, 62105 through 62253; 2282E through 2298E; and additional checks 62276 through 62288. Motion carried 5-0-0.

### **ENGINEERING**

#### **Update on Feasibility Work – 1<sup>st</sup> Street Reconstruction Project**

According to Engineer Rhein, the curbs were inspected for repair/replacement and quotes were received for geotechnical work. Northern Technologies has been contracted to do soil borings and prepare appropriate reports. Rhein has reviewed the sewer televising that was done in 2012, and additional segments of sewer will be televised after a firm is chosen. It is expected that by later in February the design/layout can be done for the feasibility report. Engineer Rhein explained that the geotechnical (soil borings) are done to see what soils are under the street prior to planning the project.

#### **Update on Preliminary Analysis for New Fire Facility**

Administrator Vahlsing stated that there are three sites that will receive a preliminary site analysis: 1) Foldcraft; 2) Richard Nielsen property; 3) Mattress Factory/Cemstone Plant. Engineer Rhein noted that base maps have been created for each site and the architect is working on the project. The preliminary information will be discussed at the next council meeting.

### **LEGAL**

#### **2015 Appointments and Designations**

- Planning Commission – 2 Year Term – Jim Malloy, Russ Thurmes
- Public Utility Commission – 3 Year Term – Richard Nielsen
- Library Board – 3 Year Term – Scott Swenhaugen, Trudy Johnson
- Economic Development Authority – 4 Year Term – Stuart Campbell
- Historic Preservation Commission – 3 Year Term – Richard Overholt
- Park & Recreation Committee – 3 Year Term – Lacy Larish, Tammie Kirchmann, Melissa Cusey
- 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 – Springsted
  - 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, Russ Thurmes, Bryan Haugen and Mark Vahlsing
  - o. Kenyon Fire Relief Association – Mike Engel, Mark Vahlsing

Motion by Nielsen, seconded by Thurmes to approve 2015 appointments. Motion carried 5-0-0.

#### **Resolution 2015-01: Establishing License Fees and Compensation**

Motion by Nielsen, seconded by Thurmes to approve Resolution 2015-01. Motion Carried 5-0-0.

### **VFW Annual Dance Permit**

#### **Annual Tobacco Licenses**

Kenyon Municipal Liquor Store, Kenyon Motor Mart, River Country Co-Op

#### **Annual Sidewalk Obstruction Licenses**

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

**Annual Refuse Licenses**

Waste Management, Flom Disposal Inc., Gibson Sanitation (Flom & Gibson temporary rolloff, dumpster)

**Annual Recycling Licenses**

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

Motion by Nielsen, seconded by Thurmes to approve the above Dance Permit, Tobacco Licenses, Sidewalk Obstruction Licenses, Refuse and Recycling licenses. Motion carried 5-0-0.

**Update on Wastewater Treatment Facility Project Liquidated Damages**

According to Attorney Riggs, the date for mediation is February 6, 2015 at 9 a.m., and if any settlement is recommended, it will come before the council for approval. Administrator Vahlsing noted that he, Mayor Engel and councilman Barsness will attend as representatives of the City.

**NEW BUSINESS****Resolution 2015-02: A Resolution Authorizing Acceptance of 2014 Donations**

Motion by Nielsen, seconded by Thurmes to approve Resolution 2015-02. Motion carried 5-0-0.

**“Lost Highway” Performance Agreement for August 22, 2015**

Administrator Vahlsing said that “Lost Highway” had agreed to play this again at Rose Fest. The terms of the contract are the same as last year. The Cost to the Liquor Store is approximately \$1,500, and “Lost Highway” will be paid the gate for the event.

Motion by Nielsen, seconded by Thurmes to approve the agreement. Motion carried 5-0-0.

**Fire Department****Purchase of Spreader Attachment for Genesis Extrication Device**

According to Fire Chief John Lee, this tool is more powerful than the current equipment and will enable easier use for certain vehicles/situations. The old device will remain in use. The Fire Department received \$1,500 in donations for the purchase of this tool.

Motion by Barsness, seconded by Nielsen to approve the purchase of the spreader. Motion carried 5-0-0.

**Interlocal Contract for Cooperative Purchasing – Fire Truck Chassis**

Attorney Riggs noted that cooperative purchasing contracts such as this are used by cities because it satisfies competitive bidding process for larger purchases. Administrator Vahlsing noted that the truck manufacturer recommended this cooperative agreement pricing to the department.

Motion by Nielsen, seconded by Thurmes to approve the cooperative purchasing contract. Motion carried 5-0-0.

**OTHER BUSINESS****Schedule of Upcoming Meetings**

EDA Annual Meeting: Tuesday, January 27<sup>th</sup> @ 9 a.m. at Schweich’s (City Council members are welcome to come to this meeting.)

SEMLM Annual Meeting: Thursday, January 29<sup>th</sup> in Rochester

City Council Meeting: Tuesday, February 10<sup>th</sup> @ 7 p.m.

2015 Board of Appeal and Equalization: Thursday, April 23<sup>rd</sup> @ 5:30 p.m.

**COUNCIL AND STAFF GENERAL COMMENTS**

Mayor Engel thanked councilman Henke for running for the council and all the council members welcomed him.

Councilman Henke commented that he has always been interested in government and he thanked the citizens of Kenyon for electing him to office. Henke noted that he met with department heads and toured departments today, and gained valuable information. He further commented that he will welcome feedback and hopes to have the respect of the group moving forward.

Engineer Rhein verified that the three sites to have analysis for a fire facility. Administrator Vahlsing noted that he will be meeting with Foldcraft on Thursday.

Motion Nielsen, seconded by Thurmes to adjourn the meeting at 7:42 p.m. Motion Carried 5-0-0.

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Pam Blow, Administrative Assistant

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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 10<sup>th</sup> day of February, 2015. The following members were present: Mayor Mike Engel, Council Members, Fred Barsness, Richard Nielsen, Russ Thurmes, and Doug Henke. Also present: Administrator Mark Vahlsing, Engineer Joe Rhein, Attorney Scott Riggs, Police Chief Sjolander and Police Officer Beighley

### **CITIZEN COMMENTS**

None

### **ADOPT AGENDA**

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

### **CONSENT AGENDA**

Motion by Barsness seconded by Henke to approve the Consent Agenda, which includes payment of check numbers 62289 through 62397; 2299E through 2314E and additional checks 62398 through 62410. Motion carried 5-0-0.

### **ENGINEERING**

#### **Update on Feasibility Work – 1<sup>st</sup> Street Reconstruction Project**

According to Engineer Rhein, the feasibility work is continuing on 1<sup>st</sup> Street. Sewer televising should begin soon, and soil borings have been completed. Administrator Vahlsing stated that if the project was to begin in 2015, the engineering feasibility study would have to begin in March.

#### **Update on Preliminary Analysis for New Fire Facility**

According to Engineer Rhein, the study comparing the three sites under consideration for a new fire department facility should be completed by the week of February 23rd. He also stated that after the report is completed, as was discussed with Administrator Vahlsing, a meeting with the fire facility planning committee will be scheduled.

### **LEGAL**

#### **St. Marc Materials – Chris Hanke**

##### **Status of Building Permit and Construction of Permanent Ready Mix Plant**

City Administrator Vahlsing updated the Council on the status the St. Marc Materials project. He stated that last October, after a building inspection, it was found that Hanke had modified his building construction without amending his permit. As a result, a stop order was issued by the County Building Official. Since then, no further work has been completed on the project, and Hanke has not submitted the revised construction plans in accordance with State building and electrical codes. He also has unpaid fines, lease payments and utility fees that are outstanding. Attorney Riggs stated that he was preparing a notice to be sent to Mr. Henke. The notice states that the EDA would be commencing foreclosure procedures on the property that Mr. Hanke had purchased.

#### **Leased EDA Land**

Administrator Vahlsing stated that at the January 27<sup>th</sup> meeting, the EDA directed staff to work with the City Attorney to send notice to Chris Hanke that he 45 days to vacate the leased property north of the City shop. After further review, the City Attorney determined a 120 day notice was required. The attorney was working on a notice letter to send to Mr. Hanke.

#### **Status of Fines Related to Development Agreement Violations**

Administrator Vahlsing stated that the outstanding fines related to the development agreement completion dates have not been paid to date. The total unpaid fines are currently \$3000. Vahlsing also stated that are unpaid utility hook-up fees totaling just over \$1100, and Mr. Hanke is also two months behind on his lease payments totaling \$700. In the past, Hanke has fallen behind in his lease payments up to three months, and then comes in and pays them. Currently, in total, Hanke owes the City over \$4800.

### **NEW BUSINESS**

#### **Pay Equity Compliance Report**

Administrator Vahlsing reviewed the Minnesota Pay Equity Compliance process. He stated that it appeared that the City was in compliance based on this report.

Motion by Nielsen, second by Henke to approve 2015 Minnesota Pay Equity report for the City. Motion carried 5-0-0

#### **Request Accounts Receivable Write-Offs**

Administrator Vahlsing reviewed a list of unpaid bills in the Council packet. He stated that these items could not be assessed to properties. Multiple attempts had been made to collect them but they must be written-off for accounting purposes.

Motion by Nielsen, second by Henke to approve Account Receivable Write-off list. Motion carried 5-0-0

### **Carriage and Cutter Day Requests for February 28, 2015**

Mayor Engel reviewed the items for approval related to the event

1. Parade Route/Permit, Street Closings/Detour, Parking Restrictions
2. Use of Fire Hall for Pre-parade Meal
3. Donation to Carriage and Cutter Day (\$1,000)
4. Approve 4<sup>th</sup> Annual 5K Run/Walk Route, Use of Ambulance Building Garage

Motion by Thurmes, second by Nielsen to approve the four items discussed (above) for the Carriage and Cutter Parade on February 28, 2015. Motion carried 5-0-0.

### **Spring Cleanup Day**

Administrator Vahlsing stated that the City has had requests to schedule a Spring Clean-up day in 2015. He stated that he has discussed the idea with Waste Management and they are willing to work with the City to coordinate the event. Waste Management asked that the City suggest two or three possible date options. They would prefer the same process as Ron Grose used where items were dropped off at a designated area. Motion by Barsness, second by Nielsen to instruct City Administrator to work with Waste Management to set up a spring clean-up day on either Saturday April 18, 25, or May 2, 2015. Motion carried 5-0-0.

### **EDA items:**

#### **Priority Items Identified during EDA Annual Meeting on January 27, 2015**

Administrator Vahlsing discussed items that were identified during the EDA annual meeting on January 27, 2015 for priorities for the upcoming year. They included:

- *Keeping a medical clinic in Kenyon*
- *Finish the Fire Hall project*
- *More land for commercial development*
- *Continue beautification efforts in the downtown*
- *The City should hold a spring clean-up day*
- *Additional activities for youth and community through the library*

#### **Facade Improvement Application –Metal Transformations 304 Highway 56 South**

Administrator Vahlsing stated that at a special meeting held on February 4, 2015, the EDA Board approved a Façade Improvement application for \$4000 to fund a portion of the cost to replace the roof, and siding on the front building addition. They will also paint front of the building. The total project cost is \$10,000.

### **Possible Sites for Additional Commercial/Industrial Park Land**

Administrator Vahlsing stated that he had updated the EDA on the sites under consideration for a new Fire Department facility. He stated that these sites may also be suitable for future light industrial/commercial development.

### **Letter of Concern to Reduction of Hours at Mayo Kenyon Clinic**

Administrator Vahlsing stated that Mayo Clinic has reduced the hours at the Kenyon Clinic to two days a week. There is concern in the community that this reduction may lead to the eventual closing of the clinic. He recommended that the Council or Mayor send a letter of concern to Mayo about the reduced hours.

### **OTHER BUSINESS**

#### **Schedule of Upcoming Meetings**

City Council Meeting: Tuesday, March 10<sup>th</sup> @ 7 p.m.

2015 Board of Appeal and Equalization: Thursday, April 23<sup>rd</sup> @ 5:30 p.m.

### **COUNCIL AND STAFF GENERAL COMMENTS**

Administrator Vahlsing stated that the City audit would be occurring next week.

Motion Nielsen, seconded by Thurmes to adjourn the meeting at 7:40 p.m. Motion carried 5-0-0.

Pursuant to due call and notice thereof, a Special City Council meeting was duly held in the City Hall conference room on the 10th day of February, 2015. The following members were present: Mayor Mike Engel, Council members, Fred Barsness, Richard Nielsen Russ Thurmes and Doug Henke. Also present: City Administrator Mark Vahlsing, and City Attorney Riggs.

Mayor Engel called the special meeting to order at 7:40 pm. He then stated that the meeting would be closed to discuss a litigation matter.

Pursuant to Minnesota Statutes, Section 13D.05, subdivision 3(b), closed session pursuant to the attorney-client privilege to engage in confidential attorney-client communications related to a litigation matter related to a contract dispute regarding the waste water treatment plant.

Motion by Nielsen, Second by Barsness to come out of closed session. Motion Carried 5-0-0

**Resolution 2015-04: Resolution Approving Mediated Settlement Agreement with Winona Mechanical, Inc.**

Motion by Barsness Second by Nielsen to approve Resolution 2015-04. Motion Carried 5-0-0

Motion by Barsness second by Engel to adjourn the special council meeting at 8:00 p.m. Motion carried 5-0-0.

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Mark Vahlsing, City Administrator

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Michael Engel, Mayor

Pursuant to due call and notice thereof, a Special City Council meeting was duly held in the City Hall conference room on the 10th day of February, 2015. The following members were present: Mayor Mike Engel, Council members, Fred Barsness, Richard Nielsen Russ Thurmes and Doug Henke. Also present: City Administrator Mark Vahlsing, and City Attorney Riggs.

Mayor Engel called the special meeting to order at 8:00 p.m.

Motion by Thurmes, second by Nielsen to enter into a closed special meeting. Motion Carried 5-0-0.

Pursuant to Minnesota Statutes, Section 13D.05, subdivision 2(b), to conduct a closed meeting for preliminary consideration of allegations or charges against an individual subject to the City Council's authority, and subdivision 3(a), to conduct a closed meeting (the meeting must be open at the request of the individual who is the subject of the meeting) to evaluate the performance of an individual subject to the City Council's authority, Mr. Olaf Mark.

Motion by Nielsen, second by Engel to come out of closed session and recess Special Council Meeting until Friday February 13<sup>th</sup> at 1:30 p.m. Motion carried 5-0-0

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Mark Vahlsing, City Administrator

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Michael Engel, Mayor

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Pursuant to due call and notice thereof, a Special City Council meeting was duly held in the City Hall conference room on the 13th day of February, 2015. The following members were present: Mayor Mike Engel, Council members, Fred Barsness, Richard Nielsen Russ Thurmes and Doug Henke. Also present: City Administrator Mark Vahlsing, and City Attorney Riggs.

Mayor Engel called the special meeting to order at 1:30 p.m.

Motion by Nielsen, second by Thurmes to reconvene closed meeting. Motion carried 5-0-0.

Pursuant to Minnesota Statutes, Section 13D.05, subdivision 2(b), to conduct a closed meeting for preliminary consideration of allegations or charges against an individual subject to the City Council's authority, and subdivision 3(a), to conduct a closed meeting (the meeting must be open at the request of the individual who is the subject of the meeting) to evaluate the performance of an individual subject to the City Council's authority, Mr. Olaf Mark.

Motion by Nielsen, second by Hanke to come out of closed session. Motion carried 5-0-0.

**Resolution 2015-03: A Resolution Changing the Employment Status of Olaf Mark from Full Time to Part Time from the City of Kenyon**

Motion by Nielsen, second by Engel to approve Resolution 2015-03 with modifications as discussed by City Attorney Riggs. Motion carried 5-0-0.

Motion by Nielsen, second by Thurmes to adjourn the meeting at 2:15 p.m. Motion carried 5-0-0.

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Mark Vahlsing, City Administrator

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Michael Engel, Mayor

Pursuant to due call and notice thereof, a City Council Meeting was duly held in the City Council chambers at 7:02 p.m. on the 10<sup>th</sup> day of March, 2015. The following members were present: Mayor Mike Engel, Council Members, Fred Barsness, Richard Nielsen, Russ Thurmes, and Doug Henke. Also present: Administrator Mark Vahlsing, Engineer Joe Rhein, Attorney Scott Riggs, Administrative Assistant Pam Blow, Police Chief Sjolander and Police Officer Beighley

### **CITIZEN COMMENTS**

Heather Arndt, representing Citizens Concerned about Rail Lines (CCARL), provided information about that group's concerns with the Zip Rail project. The project is currently in the Tier 1 phase of planning. Two routes are being reviewed— one along TH 52 and the other along TH 56 both routes would run from Rochester to the Metro Area. The TH 56 corridor would have the most impact on the City of Kenyon. Ms. Arndt noted that this would be a sealed corridor with no crossings. According to the information given by Ms. Arndt, when the Tier 1 phase of planning is over, MN DOT will make their recommendation to the federal railroad commission regarding this project.

### **ADOPT AGENDA**

Addition: / X / Old Business / C / Mayo Clinic Update. Motion by Nielsen seconded by Thurmes to adopt the March agenda as amended. Motion carried 5-0-0.

### **CONSENT AGENDA**

Motion by Barsness seconded by Thurmes to approve the Consent Agenda, which includes payment of check numbers 62432 through 62534; 2315E through 2329E and additional checks 62553 through 62572. Motion carried 5-0-0.

### **PRESENTATIONS**

#### **2014 Audit Presentation – Tom Wente, Smith ♦ Schafer**

Mr. Wente presented a summary of the 2014 City and KMU audits. He noted that he had met with the audit committee, City Staff, and Randy Eggert, Operations Superintendent for KMU prior to finalizing this document. He reviewed summaries of revenue, expenditures, reserves, and debt service and enterprise funds.

### **ENGINEERING**

#### **Update on Feasibility Work – 1<sup>st</sup> Street Reconstruction Project**

According to Engineer Rhein, the preliminary survey, manholes and curb condition has been completed. Northern Technologies Inc. has completed the soil borings and geotechnical study, and he stated that the street section would be fairly standard if replaced. The borings were done to a depth of fifteen feet, and there was no water in the borings. Engineer Rhein obtained quotes for televising the sewer in this area. Roto-Rooter had the low quote of \$11,000 after all contingencies were considered. The final cost will depend upon how many private sewers need to be accessed through private properties rather than through the sewer main. Roto-Rooter will televise as much of the sewer system as they can from the street. The work should begin by Thursday.

### **LEGAL**

#### **Update on St. Marc Materials – Chris Hanke**

According to Attorney Riggs, two notices were served on Mr. Hanke on February 12, 2015, and subsequently, he made payment in full for all outstanding city and utility invoices. Even though payment has been made, Riggs noted that there is no reason to stop the processes began with the notices served – (Notice of Termination of Lease; Notice of Default on Developers Agreement). Mr. Hanke still has not completed construction according to the requirements of the development agreement with the EDA. Administrator Vahlsing noted that Mr. Hanke does not have all the information required to get his building permit through Goodhue County Land Use, and Hanke is aware of their requirements. The lease with the City of Kenyon will expire 120 days from February 12, 2015.

### **OLD BUSINESS**

#### **Update on Spring Cleanup Day**

According to Administrator Vahlsing, Waste Management has agreed to conduct the cleanup day at the same location and in the same manner as last year. There will be a central drop-off point at the municipal pool parking lot, and a fee schedule has been approved by WM. The bank may provide document shredding services, but that has not been confirmed as yet.

#### **Letter from Townships Concerning 2015 Fire Contracts**

Administrator Vahlsing stated that he had been informed that the townships would be sending a letter

to the City formally requesting a meeting. They would like to meet with the council to discuss concerns regarding the fire contracts for 2015. Council member Henke noted that he thought that the 2015 contract would be as presented to the townships in December, 2014, and work toward changing future contract calculations. According to Administrator Vahlsing, the townships want to have it confirmed that the council would support a five year phase-in plan for calculations not based upon tax capacity. Vahlsing commented further that if a new fire facility is built, the townships do not want to pay towards the facility. Attorney Riggs commented that because of the established Fire Service areas defined by the state, it is unlikely that the townships could pull back even without signing a new contract. Council member Thurmes noted that the council represents the City of Kenyon and we need to do what is best for the city.

### **Update on Mayo Clinic**

Administrator Vahlsing distributed notes taken with Mayo Clinic representatives on March 10, 2015. Some of the items discussed during this meeting included the reductions in the hours of operation, future operations plan and importance that the clinic is patronized by local residents. Mayor Engel noted that he was pleased to learn that there aren't plans to further reduce their hours.

### **NEW BUSINESS**

#### **Liquor License Renewal for Schweich's Inc.**

Motion by Barsness, second by Thurmes to approve the license renewal. Motion carried 5-0-0

#### **Authorize Hiring of Full-time Police Officer**

Administrator Vahlsing noted that the Personnel Committee reviewed the finalists from the last hiring process and decided to interview Amy Reding. Chief Sjolander noted that the background investigation has been started on her. The Personnel Committee recommended that she be approved for hire as a full-time police officer.

Motion by Nielsen, seconded by Henke to approve the hiring of Amy Reding, pending successful background, psychological and physical testing. Motion carried 5-0-0.

#### **Turn on Street Light on Whitetail Lane**

According to Administrator Vahlsing, the cost for one year is approximately \$150, and this light is one of several that were turned off a number of years ago as a cost-saving method. Council member Henke noted that there are not homes in the area, and did not think it was necessary to turn the light back on. No action was taken by the council on this matter.

### **Municipal Pool Repairs**

#### **Pool and Bathhouse Painting**

Administrator Vahlsing recommended that the council approve the estimate from Minn-Crete for the floor in the bathhouse.

#### **Replace Sand & Laterals in Sand Filter**

Administrator Vahlsing noted that only one company gave a bid for this project. This would be much less cost than replacing the entire filter.

Motion by Engel, second by Nielsen to approve the bid for \$5,200 for the floor in the bathhouse and the bid for \$5,794 to replace the sand and laterals in the sand filter. Motion carried 5-0-0.

### **OTHER BUSINESS**

#### **Schedule of Upcoming Meetings**

City Council Meeting: Tuesday, April 14<sup>th</sup> @ 7 p.m.

2015 Board of Appeal and Equalization: Thursday, April 23<sup>rd</sup> @ 5:30 p.m.

Goodhue County Board Mtg. in Kenyon – Tuesday, May 5<sup>th</sup> @ 10:00 a.m.

### **COUNCIL AND STAFF GENERAL COMMENTS**

Council member Thurmes offered his condolences to the Evert family.

Motion Nielsen, seconded by Henke to adjourn the meeting at 8:38 p.m. Motion carried 5-0-0.

Pursuant to due call and notice thereof, a Special City Council meeting was duly held in the City Council chambers on the 10th day of March, 2015. The following members were present: Mayor Mike Engel, Council members, Fred Barsness, Richard Nielsen Russ Thurmes and Doug Henke. Also present: City Administrator Mark Vahlsing, Engineer Joe Rhein, Attorney Riggs, Administrative Assistant Pam Blow, and John Nightingale and Tim Auringer from Brunton Architects and Engineers.

Mayor Engel called the closed session to order at 8:45 p.m.

Pursuant to Minnesota Statutes Sections 13D.05, subdivision 3(c), to conduct a closed session to review confidential appraisal data and to review and consider strategies and to develop or consider offers or counteroffers for the purchase or acquisition of real property for the Fire Hall, with such properties located at:

- Foldcraft site: 66-375-0040 – Address of Foldcraft Property is 615 Centennial Drive. No address for this specific site as yet.
- Richard Nielsen Property – Owner of Record – Poplar Grove Farms LLC – 66-680-0453 (portion of parcel) – no address
- Cemstone Site:
  1. Cemstone Concrete Materials - 17 Langford Ave – PID 66-660-0090 – entire site
  2. Portion of Mattress factory site – Wilstor LLC owner of record – 66-660-0390 – 10 Slee St.
  3. Portion of Mattress factory site – Wilstor LLC owner of record – 66-660-0090 – 10 Slee St.

Mayor Engel ended the closed session at 9:40 p.m.

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Pam Blow, Administrative Assistant

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Michael Engel, Mayor

Pursuant to due call and notice thereof, a Special City Council meeting was duly held in the City Hall conference room on the 31st day of March, 2015. The following members were present: Mayor Mike Engel, Council members, Fred Barsness, Richard Nielsen Russ Thurmes and Doug Henke. Also present: City Administrator Mark Vahlsing, Fire Chief John Lee, Public Works Superintendent Steve Baalson, and Wayne Ehrich, Street Department.

Mayor Engel called the special meeting to order at 5:00 pm.

**Review 2015 Township Fire Contract Funding Formulas and set a possible meeting with Township representatives**

Administrator Vahlsing reviewed the status of the Fire Contracts with townships for fire protection. Only one signed contract had been returned to the City. The townships sent a letter to the City asking for a meeting with the council to discuss their concerns. Administrator Vahlsing also told the Council that the letter stated that the Townships wanted the City Council to agree to a revised funding formula that would be phased in over four years. They also stated in the letter that they wanted more information on the capital funds.

Councilmen Barsness stated that residents were concerned about the cost of revising the Fire Contracts. Mayor Engel stated that the capital funds and fire hall should not be part of the 2015 contract discussion. Fire Chief Lee stated that the townships did pay 70% of the FD operating costs.

Mayor Engel stated that a special meeting would be held on Tuesday April 7, 2015 at 5:30 p.m. to meet with the townships to discuss their concerns with the 2015 fire contracts

**Review and possible approve purchase of 2015 1 ton (3500) Truck w/dump box – Public Works Department**

Administrator Vahlsing stated that the City had received quotes for one ton trucks for the public works department from three dealers.

1. Walser Chevrolet – Owatonna: 2015 Chevrolet Silverado 3500 with dump box - \$36,265
2. Harry Browns – Faribault: 2015 Chevrolet Silverado 3500 with dump box - \$35,166  
2015 Ram 3500 with dump box - \$34,161
3. Milo Peterson Ford – Kenyon: 2016 Ford F-350 with dump box - \$40,025

Councilman Hanke stated that a more specific spec should be put together and revised quotes obtained. Public Works Superintendent Baalson stated that there is no rush and more information can be obtained

Motion by Nielsen second by Hanke to adjourn the special council meeting at 6:20 p.m. Motion carried 5-0-0.

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Mark Vahlsing, City Administrator

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Michael Engel, Mayor

Pursuant to due call and notice thereof, a Special City Council meeting was duly held in the City Hall conference room on the 7<sup>th</sup> day of April, 2015. The following members were present: Mayor Mike Engel, Council members, Fred Barsness, Russ Thurmes and Doug Henke. Absent: Richard Nielsen. Also present: City Administrator Mark Vahlsing, Fire Chief John Lee, and Administrative Assistant Pam Blow. Township representatives: Richard Priebe, Dan Quam, Lorin Pohlman, Larry Madsen, Emery Maher, Duwain Eglund, Steve Johnson, Jim Donkers, Jeff Traxler, Joyce Anderson, Barb St. John, Bernie Overby, Craig Hanson, Arnold Petricka, Mark Bongers.

Mayor Engel called the special meeting to order at 5:30 pm.

**Review 2015 Township Fire Contract Funding Formulas with Township Representatives**

Administrator Vahlsing noted that the townships served by the Kenyon Fire Department collectively sent a letter to the City in March. They were requesting a meeting with the council to discuss a revised contract formula that would be phased in over four years. Kenyon Township Supervisor Bernie Overby asked how the calculation budget amount was determined, and Vahlsing noted that the total budget amount is reduced by grants and state fire aid reimbursements to arrive at an operating budget. Administrator Vahlsing stated that the townships want the Council to agree to pay more of the fire department budget phased-in over four years. The 1<sup>st</sup> year - 30% City / 70%; townships 2<sup>nd</sup> year - 35% City / 65%; Townships, the 3<sup>rd</sup> year - 40% City / 60% Townships; and 4<sup>th</sup> year 51% City / 49% Townships. Mayor Engel asked if the townships would sign the proposed 2015 contract if the phase-in plan was approved by the Council. The consensus of the township board members present was that they agreed with that statement. Administrator Vahlsing noted that the budget changes every year and the fire contracts with the townships must be approved by the City annually.

Motion by Engel, seconded by Henke to phase-in a change in the township portion of the fire budget over four years, beginning with 30% (City) and 70% (Townships) for this year.

Ayes: Engel, Henke, Nays: Barsness and Thurmes. 2-2 Motion did not pass.

Councilmember Barsness noted that he is concerned about the property owners in the City having to pay for a new fire hall when it is built without the financial support of the townships. Any debt repayment for a new facility would likely be figured into the fire department budget. Township representatives commented that they would discuss some type of support for the facility when the time comes for debt service. Administrator Vahlsing stated that it would be very difficult to complete a new fire hall project without township support.

Motion by Engel, seconded by Henke to phase-in a change in the township portion of the fire budget over four years, beginning with 30% (City) and 70% (Townships) for this year and the fire hall will be discussed at a later date. Motion carried 4-0-0.

Bernie Overby stated that the townships also had concerns with the capital funds if they are not used for trucks or equipment. Richland Township Supervisor Arnie Petricka asked why the capital fund amount in the 2015 fire department budget had increased by \$25,000. He felt that there should be enough in the capital fund to cover the cost of the new fire truck. Administrator Vahlsing stated that there was not enough in the capital fund currently to cover the cost of the new truck. He also said that the amount of capital in the 2015 budget was increased to replenish the fund faster for future capital needs.

Mayor Engel stated that the Fire Hall should be discussed at a later date when more information is available. Supervisor Overby stated that he was on the Fire Hall building committee and that a great deal of progress had been made on the project. Supervisor Petricka asked about the status of the Foldcraft site. He felt that building on the current site of the Fire Hall downtown would be better. Administrator Vahlsing stated that it would be much less cost to build on another site versus tearing down the existing fire Hall

Motion by Thurmes second by Engel to adjourn the meeting at 6:30 p.m. Motion carried 4-0-0.