

Pursuant to due call and notice thereof, a Special City Council Meeting was duly held in the City Council chambers at 5:30 p.m. on the 2nd day of October, 2014. The following members were present: Mayor Mike Engel, council members, Fred Barsness, Russ Thurmes, Bryan Haugen and Richard Nielsen. Also present: City Administrator Mark Vahlsing, Fire Chief John Lee, Library Director Michele Otte, Liquor Store Manager Matt Bartel, Police Chief Lee Sjolander, Street Superintendent Steve Baalson, Bookkeeper Sue Dodds, Jason Prondzinski, and Wayne Erich.

Review 2015 Department Budgets

City Administrator Vahlsing updated the Council that he and Sue Dodds had met with department heads in September to review the proposed 2015 budget. The Council met with the department heads (listed below) to review their proposed budgets.

Library - Michelle Otte, Director

The library budget showed an approximately 9% over the 2014 budget. The main increases were in employee benefits, especially health insurance. The other areas of the library budget were the same or lower. She had no capital request for 2015.

Police Department – Chief Lee Sjolander

The police department budget showed an approximately 9% increase over last year. Most of the increase was due to increases in employee benefits. There are additional costs for family coverage for some of the officers that were not incurred in 2014. Chief Sjolander stated that he would need to finish upgrading the computers, and would also need a new MDT unit. This may be able to be purchased in 2016.

Street Department – Steve Baalson, Superintendent

Administrator Vahlsing reviewed the proposed 2015 Street, Sewer, Park, and Storm sewer budgets with the Council. Public Works Superintendent Baalson stated that he has been looking at one ton trucks with plows. The current one ton Ford truck needs to be replaced. \$30,000 in capital funds was included in the 2015 budget for this purchase. He also stated that a new lawn mower should be purchased next year. There was \$10,000 included in the budget to cover this cost. The other increases were in the areas of health insurance. Part of this increase was due to the addition of a third full time employee.

Liquor Store – Matt Bartel, Manager

No major proposed changes from current year. The overall budget was approximately 8% lower than 2014.

Fire Department – Chief John Lee, Assistant Chief Wayne Ehrich

Administrator Vahlsing stated that the largest uncertainty for the 2015 revenue budget was the renewal of the Fire Contracts. He also stated that \$24,000 in capital funds was added to the proposed Fire Department budget for the pumper purchase. With this addition, the proposed budget shows an approximate 28% increase.

Other areas of the proposed 2015 budget

Levy

Administrator Vahlsing stated that he recommended a 3% increase in the overall levy for 2015. He informed the Council the maximum amount of the levy could not be increased above the maximum 4% increase adopted by the Council, but it could be reduced anytime until mid-December.

Wages and Health Insurance

Step increases were built into the proposed 2015 budget for employees. A 7% increase was added to the proposed budget for health insurance starting in July, 2015.

Fire Department Pumper Purchase

Administrator Vahlsing reviewed the updated quote for the Fire Truck. He stated that the Fire Department requested that the City Council approve the quote from Rosenbauer in the amount of \$379,780. The lease documents would have to be approved by the Council prior to the approval to purchase the truck. Vahlsing stated that he would attempt to get the required lease documentation prepared prior to the October 14th Council meeting. Motion by Thurmes, seconded by Barsness to approve proceeding with the purchase of the Rosenbauer Fire Truck based on the specs provided at a purchase price of \$379,780. Purchase will be contingent on the completion of lease documents. Motion carried 5-0-0

Engineering RFP

Administrator Vahlsing discussed the status of the proposals being submitted for engineering services. The deadline for submitting responses is October 3. He stated that he would review the

proposals initially. He suggested that the personnel committee meet with him and Public Works Superintendent Baalson to review and select 3-5 firms to be interviewed. The firms selected would then be interviewed by the full council. This would most likely occur later in October. The consensus of the Council was to proceed with reviewing the proposals in this manner.

Motion by Haugen, second by Nielsen to adjourn the meeting at 6:55 pm. Motion Carried 5-0-0.

Mark R. Vahlsing, City Administrator

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 14th day of October, 2014. The following members were present: Mayor Mike Engel; Council Members, Fred Barsness, Bryan Haugen, Richard Nielsen, and Russ Thurmes. Also present: Administrator Mark Vahlsing, Attorney Scott Riggs, Engineer Joe Palen, and Administrative Assistant Pam Blow.

CITIZEN COMMENTS

None

ADOPT AGENDA

Addition: / XI / New Business / G / Community Garden at Trondheim Park; / H / Park & Recreation Committee Appointment. Motion by Nielsen seconded by Haugen to approve the agenda as amended. Motion carried 5-0-0.

CONSENT AGENDA

Motion by Haugen seconded by Nielsen to approve the Consent Agenda, which includes payment of check numbers, 61650 through 61789; 2231E through 2248E; and additional checks 61790 through 61807. Motion carried 5-0-0.

ENGINEERING

Wastewater Treatment Facility Project

Update

According to Engineer Palen, the water level of the EQ basin is being drawn down and processed through the Treatment Plant. The biosolids will be disposed of on City owned property. Winona Mechanical found a firm that will dispose of the digester cover. Administrator Vahlsing and Palen met with the contractor (Winona) ten days ago to discuss various items to finalize the project.

Winona Mechanical Pay Request #13

Administrator Vahlsing stated that this payment request should be withheld until the final amount of liquidated damages withheld has been determined.

Update on Whitetail Ridge Wear Course Paving

Administrator Vahlsing noted that Bigelow did get an estimate for the paving project, but it will depend upon the availability of the contractor as to whether the paving will be able to be completed this year.

LEGAL

Wastewater Treatment Facility Project Liquidated Damages

Attorney Riggs stated that Jim Strommen, a Kennedy and Graven attorney specializing in construction matters, reviewed the Wastewater Plant contract. He has determined that it was within the City's legal right to withhold liquidated damages from Winona Mechanical. According to Attorney Riggs, most likely the contractor will contest the liquidated damages and this will result in mediation according to the project contract.

Motion by Barsness, seconded by Thurmes to send a letter to the contractor, Winona Mechanical, that liquidated damages are being imposed and no further contract payments will be made. Motion carried 5-0-0.

Administrator Vahlsing noted that the amount of liquidated damages is very substantial (approximately \$85,000) and the council should be aware of the scope of the amount. Attorney Riggs noted that the City has justification to withhold liquidated damages based on the contractor compliance with the project schedule. Councilman Nielsen asked if there was a discussion on how the delay in the project completion has caused financial damages to the City, and if the work has been performed satisfactorily.

Ordinance 78, Third Series: An Ordinance of the City of Kenyon to Rezone Six Parcels of Land

Administrator Vahlsing stated that the Planning Commission has recommended the approval of this rezoning to allow the 6 parcels to be contiguous with adjacent parcels that have the same zoning designation.

Motion by Haugen, seconded by Nielsen to approve Ordinance 78, Third Series. Motion carried 5-0-0 with a roll call vote.

Amendment to Agriculture Land Lease (2013-2015)

Administrator Vahlsing recommended that no action be taken at this time regarding this lease.

Tobacco License for Kenyon Market

Administrator Vahlsing stated that Fred Braegelmann has sold the Kenyon grocery store to the Wagner family, and this action will provide the tobacco license for the new owner of the store through 2015. Motion by Nielsen, seconded by Thurmes to approve the tobacco license for the Kenyon Market. Motion carried 5-0-0.

OLD BUSINESS**Fire Department Facility Committee Update**

At a previous special meeting some members of the council had observed traffic flow near the Cemstone/mattress factory site. The Fire Facility Committee had recommended this area as the preferred site for the new Fire Hall. Mayor Engel stated that a warning light could be installed on the corner by the Kenyon Market. Administrator Vahlsing noted that the Council selecting a preferred site for the fire facility would make it easier to get more definite cost estimates for the project. Any expenditure for feasibility and design planning would be the same for whatever site is recommended. Costs for planning would be based upon building size and layout in the range of 10,000 square feet. Councilman Thurmes commented that he doesn't like the placement of a Fire Facility on the site along Langford Avenue where it can't be seen by people as they drive through town on the State highways. He would prefer locating it on the CVC property. Administrator Vahlsing noted that it may be some months into 2015 before the CVC property may clear environmental monitoring. The consensus of the Council was not to designate a preferred site. Vahlsing will try to have a response from the property owners for the cost of their property and he will begin to gather information from architecture companies for the design of the facility.

Fire Department Pumper Purchase Lease Agreement

Fire Chief John Lee noted that the hoses are not a part of the bid for the new vehicle, but there are funds available in the 2014 budget to purchase them.

Motion by Thurmes, seconded by Barsness to approve the purchase of the pumper, contingent upon finalizing the lease. Motion carried 5-0-0.

Formation of Carriage and Cutter Day Committee

According to Administrator Vahlsing, the parade used to be coordinated by the Jaycees and they have disbanded.

Motion by Nielsen, seconded by Haugen to approve the formation of the Carriage and Cutter committee and appoint Nichole Brandon and Tesa St. John as members of the committee. Motion carried 5-0-0.

NEW BUSINESS**Resolution 2014-13: A Resolution Approving a Cooperative Snow Removal Agreement with the MN Department of Transportation**

Motion by Haugen, seconded by Engel to approve Resolution 2014-13 and to also approve the hourly rate of \$150. Motion carried 5-0-0.

Resolution 2014-14: A Resolution Activating Deferred Assessments for 1996 General Obligation Refunding Improvement Project

According to Administrator Vahlsing, the deferred assessment was allowed for a senior citizen and homeowner who died in 2012. The notice of activation was sent on August 15, 2014.

Motion by Nielsen, seconded by Barsness to approve Resolution 2014-14. Motion carried 5-0-0.

Adopt Assessment Resolutions

- Resolution 2014-15: Resolution Adopting Special Assessment for Hazardous Building Removal for 434 Trondheim Road (PIN 66-660-0050)
- Resolution 2014-16: Resolution Adopting Special Assessment for Nuisance Property located at 411 Bullis Street (PIN 66-180-0200)
- Resolution 2014-17: Resolution Adopting Assessment for Delinquent Utility Bills
- Resolution 2014-18: resolution Adopting Assessment for Delinquent City Services Charges

Motion by Nielsen, seconded by Haugen to approve Resolution 2014-15, 2014-16, 2014-17 and 2014-18. Motion carried 5-0-0.

City Hall / Library Christmas Holiday Closing

Motion by Haugen, seconded by Thurmes to approve the closing of City Hall and the Library at 3 p.m. on December 24th and to be closed on December 26th for the Christmas holiday. Motion carried 5-0-0.

Wellhead Protection Program – MN Department of Health

Administrator Vahlsing noted that the MN Department of Health has notified the city that the Wellhead Protection plan has to be updated. The planning process has two parts. The first part requires delineation

of the area that groundwater may be impacted around the city. The second part of the plan requires development of a management and implementation plan to mitigate negative impacts to ground water in the delineated areas.

Purchase of John Deere Z960R Mower

There were two quotes received for the mower that included a trade-in of the old mower. Quotes were received from SEMA in Wanamingo for a John Deere tractor for \$8100. The other quote was received from Traxler's in Kenyon for Toro tractors ranging in cost from \$4,600 to \$5,900. Councilmen Thurmes and Nielsen noted that they would like to deal with Traxler to keep the business in town.

Community Garden at Trondheim Park

Mayor Engel noted that after several years of planning, an area near Trondheim Park will be used for a community garden. A SHIP program grant through Goodhue County will pay for fencing and other expenses related to the development of the garden. There is a fire hydrant near the park could be metered for watering. Mayor Engel will be tilling up the garden area and plots can be rented in the spring of 2015. Each 5' x 20' plot would rent for \$10, and there is room for up to twelve plots.

Park and Recreation Committee Appointment

Motion by Barsness, seconded by Thurmes to appoint Melissa Cusey to the committee. Motion carried 5-0-0.

OTHER BUSINESS

Schedule of Upcoming Meetings

Regular City Council Meeting: Monday, November 10th @ 7:00 p.m.

Joint LMC/SEMLM Fall Meeting: Thursday, October 23rd in Mantorville

City Council Work Session to interview Engineering Firms: October 28th @ 5 p.m.

Fire Contract Meeting: Tuesday, December 2nd @ 6:00 p.m.

Public Budget Discussion: Tuesday, December 2nd @ 7:00 p.m.

COUNCIL AND STAFF GENERAL COMMENTS

Councilman Thurmes welcomed Melissa Cusey to the Park and Rec. Committee.

Administrator Vahlsing congratulated Michelle & Tim Otte on the birth of their son, Hudson.

Motion Barsness, seconded by Thurmes to adjourn the meeting at 8:25 p.m. Motion Carried 5-0-0.

Pam Blow, Deputy Clerk

Michael Engel, Mayor

Pursuant to due call and notice thereof, a Special City Council meeting was duly held in the City Hall conference room at 5:00 p.m. on the 6th day of November, 2014. The following members were present: Mayor Mike Engel, Council members, Fred Barsness, Bryan Haugen, Richard Nielsen and Russ Thurmes. Also present: City Administrator Mark Vahlsing, Public Works Superintendent Steve Baalson, Dave Henke, and Engineering firm representatives below.

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

Engineering firm interviews

The Council interviewed three municipal engineering firms.

IS Group, Faribault, MN

Andy Brandel and Russ Stammer from IS Group

Widseth, Smith and Nolting, Rochester, MN

Craig Britton, Neil Britton, Kevin Donnay, David Kane, Larry Van Hought, and Pat Connoy represented WSN.

Bolton & Menk, St. Paul/Rochester, MN

Joe Rhein, Brad DeWolf, Brian Malm, Chuck Pettipeice, Seth Peterson, and Rick Lohman represented Bolton & Menk.

The Council reviewed the results of the interviews and discussed the firms further.

Motion by Nielsen, second by Thurmes to approve appointing Bolton and Menk as the City's engineering firm. The general appointment will be effective 1/1/2015. Project work on an as-needed basis may begin immediately. Motion carried 5-0-0.

Motion by Haugen second by Thurmes to adjourn the special council meeting at 7:15 p.m. Motion carried 5-0-0.

Mark Vahlsing, City Administrator

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 10th day of November, 2014. The following members were present: Mayor Mike Engel; Council Members, Fred Barsness, Bryan Haugen, Richard Nielsen, and Russ Thurmes. Also present: Administrator Mark Vahlsing, Attorney Scott Riggs, and Engineer Joe Rheine (Bolton & Menk).

CITIZEN COMMENTS

None

ADOPT AGENDA

Addition: / VII / Engineering / C / Feasibility Engineering Work on 1st Street. / XI / New Business/D/Purchase of Thermal Imaging Equipment by Fire Department.

Motion by Haugen seconded by Nielsen to approve the agenda as amended. Motion carried 5-0-0.

AGENDA

Motion by Nielsen seconded by Thurmes to approve the Consent Agenda, which includes payment of check numbers, 61829 through 61919; 2249E through 2265E; and additional checks 61920 through 61931. Motion carried 5-0-0.

ENGINEERING

Wastewater Treatment Facility Project

Update

According to Administrator Vahlsing there was nothing new to report on the WWTP project. All the work has been completed to date. The digester cover is supposed to be disposed of in the near future.

Stantec Payment Request – Additional Engineering Fees

Administrator Vahlsing stated that Stantec had submitted an invoice for \$10,441.30 for additional engineering services related to late completion of the Wastewater Treatment Plant upgrade project. Stantec had asked for an amendment to the original contract in July, 2014. No action was taken on the request at that time.

Administrator Vahlsing stated that most of the \$10,000 request may be justified. Staff has remaining questions on justification for the request; specifically, why Stantec had reached 100% of the not to exceed figure in the original contract even though the project was not completed. Also, why there are additional expenses when the actual amount of work related to the contract has not changed. (At least not to the level they are claiming in the invoice.) Attorney Riggs stated that the outstanding bill should be reviewed with the mediation for the liquidated damages.

Feasibility Work on 1st Street.

Administrator Vahlsing stated that feasibility work needed to be completed soon on 1st Street between Red Wing Ave/Highway 60 and Bullis Street. This may be a project area in 2015. This would include survey work and televising or reviewing existing tapes of existing utility lines.

Motion by Nielsen, second by Haugen to authorize completion of feasibility work on 1st Street between Bullis and Red Wing Avenue. Motion carried 5-0-0.

Update on Whitetail Ridge Wear Course Paving

Administrator Vahlsing noted that Bigelow sent a letter stating the work would not be completed in 2014. They intended to complete the work in 2015. Mayor Engel stated that Biegelow should be given a deadline to complete the work in the summer of 2015

LEGAL

Wastewater Treatment Facility Project Liquidated Damages

Attorney Riggs updated the Council that the liquidated damage claim would be going to mediation.

OLD BUSINESS

Fire Department Facility Committee Update

Administrator Vahlsing stated that there were 3 additional sites that had been identified for the Fire hall. Fire Facility Committee wanted to meet with the Council. After discussion the Council instructed Administrator Vahlsing to get more information on the sites before a joint meeting is scheduled.

Purchase of Public Works Equipment

At the last meeting the Council had discussed the replacement of a tractor/mower for the Public Works department. After further review, with winter almost here, Administrator Vahlsing recommended that the more immediate need would be the replacement of the one-ton plow truck. The truck used by the department is currently operable but has to be jump-started most of the time it is operated. He requested authorization to seek quotes for trucks between the years 2012-2015. He also stated that this purchase has been included in the 2015 capital budget. The purchase could be made through a 5 year lease. The lease would not require the entire purchase to come out of capital budget in 2015. He felt that the tractor/mower purchase could be reviewed next year.

2015 Fire Contracts / Fire Contract Committee

Administrator Vahlsing updated the Council on the status of discussion with the Townships on revising the Fire Contract funding formulas. A letter from Kenyon Township was included in the meeting packet. A spreadsheet showing the proposed breakdown per township is also included. After the Fire Contract Committee met earlier this

year, the townships subsequently met and discussed options for funding formulas. Most of the townships had stated that they agree to phase in the revised funding formula change over 3-4 years. Vahlsing stated that the annual meeting with the townships to review the fire contracts will be held in early December. He warned the Council that the proposed changes would greatly impact revenue for the Fire Department. There was also discussion on the potential new Fire Facility, but the townships did not indicate whether they would assist in paying for the facility.

NEW BUSINESS

Whitetail Ridge Townhome Association Request

Residents of Whitetail Ridge owners Association were in attendance (including spokesperson Bob Noah) to request the City take over plowing the private roads that serve the townhomes. Administrator Vahlsing stated that the roads in question are Fawn Run and Buckshot Court. They were previously maintained by Biegelow. Despite the fact that there are association fees that covered street maintenance they are asking that this service be provided at no cost.

Vahlsing stated that he and Public Works Superintendent Baalson had reviewed the request. Vahlsing told the Council that there are potential issues that need to be addressed. A justification could be made for the City to plow Fawn Run as it is used as an access for the Trondheim Park. Keeping an open access to the park can be viewed as a public benefit, but he felt plowing Buckshot Court has potential problems for the City. This road does not meet the specifications of a city street. It was designed at the request of the developer as an access road to the townhomes. He also felt that this could create a precedent. There are other areas in the City including Southview Estates with private access roads that will also have justification to request that the City maintain their roads. There are also other apartment/condo areas that may request the same. Also, the City would be in effect competing against private contractors who plow snow in the City.

City Attorney Riggs had concerns with the request. He stated that the City would not have insurance coverage because the streets are not public. This would have to be clarified. He stated that if the Council wanted to consider this request further, some type of contract would be needed. There are association fees set aside for maintenance costs that could be utilized to cover these costs, but he felt that more research needed to be completed a decision can be made by the Council.

Motion by Engel, second by Nielsen to instruct the City Attorney and City Administrator to review option for a contract to plow Fawn Run and Buckshot Court. Motion carried 5-0-0.

Kenyon Fire Relief Assn. Annual Dance Permit and Liquor License

Fire Chief Lee stated that the Annual Benefit Dance would be held on Saturday, November 29th from 6:00 p.m. to 1:00 a.m. on November 30th. Administrator Vahlsing stated that the request is for a Dance Permit and temporary on-sale liquor license. The Relief Association will pay \$25 for the dance permit and \$100 for their server training.

Motion by Nielsen, second by Haugen to approve dance permit for Kenyon Fire Relief Association for November 29, 2014. Motion carried 5-0-0.

Motion by Haugen, second by Barsness to approve temporary on-sale liquor license for November 29-30, 2014. Motion carried 5-0-0.

Canvass 2014 Election Returns and Declare Results

Motion by Nielsen, second by Haugen to approve, and declare 2014 Election results. Motion carried 5-0-0.

Request to Purchase Thermal Imaging Camera

Fire Chief John Lee requested approval to purchase a Thermal Imaging Camera. The approximate cost was \$6500. Motion by Thurmes, second by Nielsen to approve purchase of Thermal Imaging Camera by the Fire Department. Motion carried 5-0-0.

OTHER BUSINESS

Schedule of Upcoming Meetings

Fire Contract Meeting: Tuesday, December 2nd @ 6:00 p.m.

Public Budget Discussion: Tuesday, December 2nd @ 7:00 p.m.

Regular City Council Meeting: Tuesday, December 9th @ 7:00 p.m.

COUNCIL AND STAFF GENERAL COMMENTS

Councilman Haugen welcomed Joe Rhein as the new City Engineer. Councilmen Nielsen wished everyone a Happy Thanksgiving.

Motion Barsness, seconded by Thurmes to adjourn the meeting at 8:25 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 at 6:02 p.m. on the 2nd day of December, 2014. The following members were present: Mayor Mike Engel; Council Members, Fred Barsness, Russ Thurmes, and Bryan Haugen. Absent: Richard Nielsen. Also present: City Administrator Mark Vahlsing and Administrative Assistant Pam Blow.

2015 FIRE CONTRACT MEETING WITH TOWNSHIPS

Administrator Vahlsing reviewed the examples of formulas that were compiled by his staff for this meeting. Those included calculations using the past formula of tax capacity only, along with several other calculations using tax capacity and calls for service in various percentages for city/township split. These calculations were the result of meetings of the Fire Contract Committee and a consensus of the townships that they would like to phase in a formula that over a period of years would result in the city paying 51% of the expenses and the townships pay 49%. Administrator Vahlsing noted that the largest increase in the Fire Department budget from 2014 was an additional \$25,000 to be placed in the capital fund. It was noted that the capital fund represents monies that are unencumbered and can be used for any capital purchase, including equipment and buildings. There were comments from some township representatives regarding this increase and whether the townships should have to contribute towards the capital fund for building a new fire facility.

Mayor Engel adjourned the meeting at 7:00 p.m.

PUBLIC BUDGET AND LEVY DISCUSSION

The Special Meeting resumed at 7:08 p.m.

Administrator Vahlsing noted that the only changes to the proposed 2015 budget since September is a two percent cost of living adjustment for employees, and a 2% longevity increase for his two years of service. He also stated that an additional \$25,000 was added to Fire Department Capital funds for a Fire Hall project, or it also could be used for the new truck.

There being no further business, Mayor Engel adjourned the meeting at 7:30 p.m.

Pam Blow, Deputy Clerk

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 December, 2014. The following members were present: Mayor Mike Engel; Council Members, Fred Barsness, Bryan Haugen, Richard Nielsen, and Russ Thurmes. Also present: Administrator Mark Vahlsing, Attorney Scott Riggs, Engineer Joe Rhein, and Administrative Assistant Pam Blow.

CITIZEN COMMENTS

Citizen comment made at end of this meeting.

ADOPT AGENDA

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

AGENDA

Motion by Haugen seconded by Nielsen to approve the Consent Agenda, which includes payment of check numbers, 61952 through 62090; 2266E through 2281E; and additional checks 62091 through 62104. Motion carried 5-0-0.

PRESENTATIONS/RECOGNITIONS

Award of Appreciation to Police Dept. – American Legion Riders – Apple Valley

Dave and Jean Boe, representing the American Legion Riders of Post 1776 Apple Valley, presented an engraved sword as an appreciation award to Police Chief Lee Sjolander and his department for their assistance during their Fallen Heroes Memorial Ride in July 2014.

Recognition of Council Member Bryan Haugen

Mayor Engel presented Council Member Haugen with an engraved clock to thank him for his years of service to the City. This will be Haugen's last regular City Council meeting.

ENGINEERING

Update on Feasibility Work – 1st Street Reconstruction Project

Engineer Rhein noted that the topographic survey of the 1st Street area has been completed and the sanitary sewer will be televised possibly next week. The televising will look at the condition of the existing sewer mains and attempt to locate private sewer laterals. The curb will be inspected to determine areas that need replacement, and soil borings and geotechnical information will be gathered as well.

Review of Sites Being Considered for New Fire Facility

Engineer Rhein, updated the Council on a meeting that he and Administrator Vahlsing had last week regarding a new fire facility. The purpose of the meeting was to discuss funding, potential sites, and limitations of the current facility. Rhein noted that an analysis of various sites would provide information to the Council to help identify a preferred site. Funding options were also discussed at the meeting. Based upon the information gathered at the meeting, Engineer Rhein prepared a memorandum that details estimated costs and activities to conduct the site analysis. The study would also utilize Brunton Architects. Administrator Vahlsing commented that conducting a preliminary site analysis would provide a different comparative perspective on the sites. Council member Barsness stated that knowing the asking price of all sites prior to feasibility studies would be beneficial. Administrator Vahlsing noted that we know the asking price for two of the four sites under consideration. We should know the asking price for the other two sites within the next few weeks. Engineer Rhein commented that any funding secured for this project would be based on the City's overall eligibility for funding in general and would not be tied to any particular location.

Motion by Nielsen, seconded by Haugen to approve a preliminary site analysis and funding investigation for the following sites: 1) Central Valley Co-op; 2) Cemstone and 3) Nielsen Property at a cost of \$800 per site. Motion carried 5-0-0.

LEGAL

Wastewater Treatment Facility Project Liquidated Damages

Attorney Riggs stated that mediation has been scheduled and Winona Mechanical now has legal representation. Mediation will include two council members and staff, and should occur in January, 2015.

Attorney Riggs addressed the outstanding Stantec bill for additional engineering fees on the Wastewater project. According to Riggs, because of the way the contract is drafted, the end result will likely be that Stantec will show that the costs were caused by the delay of the contractor and the fees would in the end have to be paid. Administrator Vahlsing commented that his concern is accruing more legal fees regarding this issue when we will likely have to pay the bill.

Motion by Nielsen, seconded by Haugen to direct staff to approve outstanding bill with Stantec in the amount of \$10,441, and authorize work needed to close out the contract in an amount not to exceed \$4,500. Motion carried 5-0-0.

Ordinance 79, Third Series: An Ordinance of the City of Kenyon to Rezone Parcels of Land Described as: Parcel ID 66-540-1220 (Owned by J. Ross Hiner and Kirk J. Hiner); Parcel ID 66-680-0170 (Owned by Earl A. and Ruth Fredrickson); Parcel ID 66-680-0180 (Owned by Michael & Christine Petricka) from R2 (One and two family residential) to C2 (General Commercial)

Motion by Engel, seconded by Nielsen to approve Ordinance 79, Third Series. Motion carried with a 5-0-0 roll call vote.

Lot Combination for Quad Range Inc. (Craig Jacobson)

Motion by Haugen, seconded by Thurmes to approve the lot combination. Motion carried 5-0-0.

Approve Contract for Engineering Services with Bolton & Menk

Motion by Nielsen, seconded by Haugen to authorize the approval of the contract subject to final administration and attorney approval. Motion carried 5-0-0.

Goodhue County Mobile Data User Agreement

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

OLD BUSINESS

Fire Department Facility Update

Administrator Vahlsing stated a summary on the status of the Fire Facility development process was included in the packet for tonight's meeting.

2015 Township Fire Contracts

According to Administrator Vahlsing, the budget/levy has been prepared by using the fire contract formula based upon tax capacity as in previous years. The council could change this formula next year to one based upon tax capacity and number of calls or some other method. At the meeting of December 2, 2014, several of the township representatives noted that they do not support the proposed \$25,000 increase to the capital fund if it were to be used for constructing a new building.

Motion by Barsness, seconded by Nielsen that the additional \$25,000 in capital funding for 2015 will be used toward the purchase of the new truck and that the original calculation formula will be used for the contracts with the townships for 2015. Further, the formula will be reviewed again next year. Motion carried 5-0-0.

Update on Whitetail Ridge Townhome Association Request

Attorney Riggs updated the Council on the request of the townhome owners association for the City to plow the private roads that serve the development. He reviewed sections of Minnesota Statutes that state Cities can't plow private roads. However, the council could authorize an agreement with the Townhome Association. The City would be required to charge it's actual cost to plow the road. A simple easement would be included in the agreement, according to Riggs. Should the city enter into an agreement, the roads would be plowed at the same time as any other city street and would not be limited to plowing after a pre-determined amount of snowfall. The Townhome Association will discuss this matter at their meeting and inform staff as to how they wish to proceed.

NEW BUSINESS

2015 Agreement for State Building Code Administration

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

Resolution 2014-19: A Resolution Authorizing a Temporary Gambling Permit for the Wanamingo Fire Fighters Relief Association

Administrator Vahlsing stated that the temporary gambling permit was for one day event at the K-W High School.

Motion by Barsness, seconded by Nielsen to approve Resolution 2014-19. Motion carried 5-0-0.

Resolution 2014-20: A Resolution Committing Capital Fund Balances

Motion by Nielsen, seconded by Haugen to approve Resolution 2014-20. Motion carried 5-0-0.

Resolution 2014-21: A Resolution Adopting the 2015 Budget and Establishing the Tax Levy for Payable 2015

Motion by Nielsen, seconded by Haugen to approve Resolution 2014-21. Motion carried 5-0-0.

2014 Audit Engagement Letter – Smith ♦ Schafer

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

Authorize Continued Employment of Sue Fogelson

Library Director Michele Otte requested approval to retain Sue Fogelson when needed to fill in for library staff.

Motion by Barsness, seconded by Thurmes to approve the request. Motion carried 5-0-0.

OTHER BUSINESS

Schedule of Upcoming Meetings

Regular City Council Meeting: Tuesday, January 13th @ 7:00 p.m.

COUNCIL AND STAFF GENERAL COMMENTS

Councilman Barsness extended his thanks to Bryan for his six-plus years on the council.

Administrator Vahlsing commented that it was good working with Councilman Haugen.

Bryan Haugen stated that when he was appointed to the council, there was an interim administrator and noted that his service on the council has been “pleasurable and smooth sailing for the past couple of years.” Haugen further stated that he has work commitments that would interfere with his duties and that he felt it was time to move on.

CITIZEN COMMENT:

Citizen Chad Caron suggested that the council consider amending the City ordinance that bans chickens.

Mr. Caron has several chickens on his property and has been given thirty days to remove them from the premises. Mayor Engel commented that he has done some research on this topic, but doesn’t feel it is appropriate to take any action at this time. It could be discussed at a future work session. Attorney Riggs commented that not allowing chickens in the city is in our code at this time and will need to be enforced.

Motion Haugen, seconded by Nielsen to adjourn the meeting at 8:30 p.m. Motion Carried 5-0-0.

Pam Blow, Deputy Clerk

Michael Engel, Mayor