

Pursuant to due call and notice thereof, a City Council Meeting was duly held in the City Council Chambers at 9:02 a.m. on the 12th day of March, 2010. The following members were present: Mayor Diane Barrett; Council Members Fred Barsness, Bryan Haugen, Richard Nielsen and Brian Paulson. Also present: City Administrator Chris Heineman, Attorney Scott Riggs, Engineer Joe Palen, and Administrative Assistant Pam Blow.

CITIZEN COMMENTS

None

AGENDA

Change Order: VI / Presentations / Move / B to first in order; VII Engineering / move A to /VI/ Presentations after Public Hearing on 9th Street Utility Improvement. Motion by Haugen, seconded by Nielsen to approve the agenda as amended. Motion carried 5-0-0.

CONSENT AGENDA

Motion by Paulson, seconded by Nielsen to approve the Consent Agenda, which includes payment of check numbers 52634 through 52745; 1252E through 1266E; and additional checks 52746 through 52751. Motion carried 5-0-0.

PRESENTATIONS

Janet Adams, Program Coordinator for Goodhue County ADC

Adams noted that the care clinic in Red Wing is for anyone without insurance, and is open on Tuesday evenings. No appointments are taken, and the staff will see patients with any health concerns. There will be an open house on March 26, 2010, from 4 – 6 p.m. Currently, there are one hundred volunteers that will work at the clinic, and they hope to add dental and mental health in 2010. Adams noted that the clinic would provide transportation assistance when possible.

State Representative Steve Drazkowski

Rep. Drazkowski has been meeting with constituents to get input on the budget deficit, to determine long and short-term solutions for the current biennium and the next biennium. From now until the session ends on May 17th, the House will be looking at the Governor's proposal to deal with the shortfall, and determine a final budget. Drazkowski supports a graduated approach to LGA cuts for smaller towns.

Drazkowski had a discussion with MNDOT regarding the poor condition of State Highway 56/60 through Kenyon, and he indicated that improvements may be tied to the Hwy. 56 construction project that will go from Kenyon to West Concord. Heineman noted that the main street section is currently not on any construction schedule, but he will continue to encourage the repairs in conjunction with Hwy. 56 in 2012.

According to Drazkowski, the current State bonding bill is a "trainload of pork", and includes many things that are not needed. Likely, there will be a line-item veto by the Governor on this bill. Paulson asked about the use of credit checks for employment, and noted that these could hold people back from getting a job. Drazkowski noted that he would look into this. There are changes proposed to public safety policies, including how tax forfeiture and seizures are handled, and DWI reform through the use ignition lock devices. Drazkowski addressed the issue of windmills in the county, and he noted that counties have the authority to control these by using zoning tools already in place. Drazkowski is also working with MNDOT to remove any barriers for the CAPX project along Highway 52, because there are already transmission lines along this corridor.

Drazkowski noted that getting the economy going again, and taking the shackles off businesses will help improve the economic health of the State. He noted that the corporate tax rate is very high, and state spending increases by 19% every two years. He will advocate for using restraint and setting priorities to balance the budget.

Public Hearing for 9th Street Utility Improvement Project

Barrett opened the public hearing at 9:38 a.m.

Riggs noted that any decisions on this project can be done within six months of this hearing. Palen went through the details of the project that would extend sewer and water to the 9th Street area. The sewer would be extended from the Countryside Meadows housing area, and provide gravity sewer and a stub for each parcel near the property line. The water main extension would use horizontal boring to connect to 8th Street, and a curb stop for each parcel. The roadways

would be reconstructed to gravel roads (current construction). It would be the responsibility of the property owners to abandon any existing wells and septic systems, and connect to the city services. According to Palen, the total project cost is \$174,405, with \$125,277 to be assessed (72% of projected costs). Area "A" would have \$27,500 to \$35,000 costs, and each of the seven parcels in Area "B" would have \$12,000 to \$15,000 in costs.

Marlin Osterhoudt addressed the group regarding his current private sewer system, which he maintains at his own cost. Osterhoudt stated that he doesn't need a new connection for city services. Palen noted that the infrastructure for the area by Osterhoudt's property was not in existence when he purchased the property in 1985, and that Osterhoudt likely has a category "B" or "C" sewer system that would need to be brought up to current standards to be adopted by the city.

Heineman stated that he had met with Keith and Marliiss Derscheid regarding their parcels, and they indicated that they don't oppose the project. Due to the significant cost for three utility connections; however, they may challenge the assessments unless a buyer for their properties came forward. Derscheid inquired about the possibility of deferred assessments or grants. Heineman noted that there are two parcels along Red Wing Avenue that have not been included in the project (Maring and Grose properties). These parcels may need water services in the future, and would have fire protection with this project. Heineman will discuss the project with the property owners.

Riggs noted that waivers should be obtained from those property owners that approve the project and assessments. According to Riggs, the city would not win challenges for the proposed assessments. Palen noted that a waiver eliminates the risk of assessments.

Motion by Haugen, seconded by Barsness to close the public hearing at 10:17 a.m. Motion carried 5-0-0.

Motion by Barsness, seconded by Paulson to direct staff to contact the property owners and proceed to obtain waivers for the assessments. Motion carried 5-0-0.

2010 Seal Coat Project

Palen noted the update on costs for seal coating, which have increased from \$1 per sq. yd. to \$1.50 to \$1.75 per sq. yd. According to Palen, the street maintenance plan could be changed to include an eight to ten year cycle for seal coating newer streets, mill and overlay older streets, or develop a pavement management strategy. The cost of the pavement management study would be \$7,500. The study would rate the streets, and prioritize the maintenance projects. Heineman noted that the study would give good information to set long-term goals. Barrett commented that she would prefer that we stay within the \$40,000 to \$50,000 budget for 2010 projects, and to seal coat the streets that need it the most. Barsness noted that the streets are in good shape, and maintenance will keep them that way. Haugen commented that repairing pot holes would need to be a part of any project. Motion by Barsness, seconded by Nielsen to authorize a pavement management study with the participation of the council. Motion carried 5-0-0.

LEGAL

Ordinance 63, Third Series: Franchise Agreement with Minnesota Energy Resources

Riggs noted that the agreement has been amended as requested, and is ready for signature. Heineman stated that Bob Vose of Kennedy & Graven recommended gross revenues to calculate the franchise fee. Minnesota Energy Resources (MER) would add 1.5% to their invoicing. The term of the agreement is five years, with up to three renewals of five years each. Nielsen commented that the franchise fee is a tax, and the people of Kenyon will pay that fee. Nielsen noted that he would rather tax people outright than impose the franchise fee. Heineman noted that the impact on a customer with a \$60 bill would be \$.90, and the largest industrial users would have a lower 1% fee. This would provide \$20,000 per year income to the general fund, and it would be a way to reduce the levy. Riggs noted that the franchise fee could be set with a separate ordinance. Rory Lent (MER) suggested that the fee structure be removed from the agreement, and replaced with wording that would allow the city to impose the fee during the term of the agreement and adjusted annually. Barrett polled the members of the council, and Nielsen, Haugen and Paulson prefer a direct-tax over a franchise fee. Barsness abstained from offering an opinion. Motion by Nielsen, seconded by Paulson to table the matter until the next meeting. Motion carried 5-0-0.

MN Department of Public Safety Joint Powers Agreement Relating to eCharging

Chief Sjolander noted that eCharging is a free service that allows the filing of formal complaints electronically. Motion by Barsness, seconded by Nielsen to approve the agreement. Motion carried 5-0-0.

NEW BUSINESS**Goodhue County Public Works Culvert Replacement, CSAH 12**

Heineman noted that the culvert replacement along CSAH 12 will take approximately one week, and the road will be closed during that time. There will be a public meeting prior to starting the work.

Resignation of Chuck Gaasadalen and Appointment of Jesse Jensen to Park and Recreation Committee

Motion by Paulson, seconded by Haugen to approve resignation of Chuck Gaasadalen and the appointment of Jesse Jensen. A certificate of appreciation was approved for Gaasadalen's years of service. Motion carried 5-0-0.

OTHER BUSINESS**Schedule of Upcoming Meetings**

Annual City/County/Tribal Meeting: Tuesday, March 30th @ 5 p.m. at Zumbrota VFW

Board of Appeal and Equalization: Tuesday, April 13th @ 5 p.m.

Kenyon City Council Meeting: Tuesday, April 13th @ 7 p.m.

Goodhue County Board and EDA Meeting: Tuesday, May 18th @ 9 a.m. at Kenyon City Hall

COMMENTS

Barsness encouraged the public to attend the Goodhue County Board Meeting in May.

Motion by Paulson, seconded by Barsness to adjourn the meeting at 10:56 a.m. Motion carried 5-0-0.

Pam Blow, Administrative Assistant

Diane Barrett, Mayor