

Pursuant to due call and notice thereof, a City Council Work Session was duly held in the City Hall Council Chambers on the 4<sup>th</sup> day of March, 2016. The following members were present: Mayor Mike Engel, Council members, Fred Barsness, Richard Nielsen. Absent: John Mortensen, and Doug Henke. Also present: City Administrator Mark Vahlsing.

Mayor Engel called the work session to order at 1:00 p.m.

**Review Solid Waste Proposal**

Administrator Vahlsing reviewed the 7 proposals for solid waste pick-up that had been received by the City. The RFP was very thorough and focused on a number of areas including the size of the company, proposed rates, number of cities served and years in business.

Mayor Engel distributed an analysis that he conducted on the proposals. He stated that his preference was a smaller hauler. He had ranked Gibson and Flom the highest. There would be an advantage if a hauler currently goes to Red Wing. He had concerns with Countryside due their very small size and not having any municipal contracts.

Councilman Barsness agreed with the concerns about Countryside. He felt more comfortable with Flom or Gibson due their size and experience working with cities in the area.

Administrator Vahlsing updated the Council on the discussion he had with the two council members who were absent from the work session:

Councilman Doug Henke stated that he would like to see either a smaller cart or a senior citizen rate established in the next hauler contract. He would be open to going along with whatever choice of haulers that the Council approved.

Councilman John Mortenson stated that his top three choices were Flom, Gibson, and Advanced. He felt that Flom might rank somewhat higher due the fact they already provide recycling service to the City.

Councilman Barsness felt that having smaller containers may cause issues because some customers may have more garbage than the containers will hold. He felt it would be better for customers to have a larger (64 gallon) container even if they do not regularly fill it up.

Mayor Engel stated that in reviewing the proposals, Flom and Gibson appeared to be comparable. Flom does provide recycling, and commercial pick-up service in the City. Gibson also provides commercial pick-up in the City. Gibson also provides service to several area communities, and Gibson's proposed rates were less than Flom's. Plus they already haul to Red Wing.

Administrator Vahlsing stated that he had discussed hauling to Red Wing with Flom and they had stated that it was built into their rates.

Councilman Nielsen stated that overall Gibson may be the best option for the City.

There being no further business, the meeting was adjourned at 1:45 p.m.

---

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 8<sup>th</sup> day of March, 2016. The following members were present: Mayor Mike Engel, Council Members, Fred Barsness, Richard Nielsen, and John Mortensen. Absent: Doug Henke. Also present: Administrator Mark Vahlsing, Engineer Joe Rhein, Attorney Melissa Manderschied and Administrative Assistant Pam Blow.

### **CITIZEN COMMENTS**

None

### **ADOPT AGENDA**

Motion by Nielsen seconded by Mortensen to approve the agenda as presented. Motion carried 4-0-0.

### **CONSENT AGENDA**

Motion by Barsness seconded by Nielsen to approve the Consent Agenda, which includes payment of check numbers, 64419 through 64529; 2521E through 2535E; and additional checks 64553 through 64567. Motion carried 4-0-0.

### **ENGINEERING**

#### **Accept Bid for 1<sup>st</sup> Street Reconstruction Project**

According to Engineer Rhein, after the council approves the bid, the contract will be prepared and sent to the city's attorney. There will be a preconstruction meeting with the contractor at a later date.

#### **Resolution 2016-07: Resolution Accepting Bid for the First Street Improvement Project**

Motion by Nielsen, second by Mortensen to approve Resolution 2016-07, which includes Alternate #1. Motion carried 4-0-0.

#### **Update on Fire Facility Project**

Engineer Rhein mentioned that the second plan review meeting was held, and the project design is 95% complete. The final plans and specs should be completed within one week, and will be sent to the USDA architect. Their review will take approximately one month. After USDA approval the final plans will be reviewed with the council at a work session.

### **OLD BUSINESS**

#### **Review Request for Proposals – Residential Garbage Service**

According to Administrator Vahlsing, there were seven proposals received for the residential garbage service. A work session was held on March 4<sup>th</sup> to review the proposals. Councilmen Nielsen stated that it appeared Gibson Sanitation had the most support after the discussion that was held at the Council work session.

Motion by Nielsen, second by Barsness to contract with Gibson Sanitation, LLC of Cannon Falls for the city's residential garbage service. Motion carried 4-0-0.

#### **Update on 1<sup>st</sup> Street Project Financing – George Eilertson, Northland Securities**

According to Mr. Eilertson, by using the Credit Enhancement Program, it will allow the State of Minnesota Bond rating to be used for financing for this project (AA+ rating). This will lower the interest rate and be a benefit to the City. Generally, the Program offers a .5% lower interest rate. According to Mr. Eilertson, the city will have to pay a \$500 program application fee and a rating fee of \$5,000, but those fees will be offset by the lower interest rate over the term of the loan. According to Engineer Rhein, the first payment on the project would probably not happen until June, 2016, so the sale of the bonds can occur in May. The term of the bond (20 or 25 years) can be decided at the April council meeting.

#### **Resolution 2016-08: Relating to the Issuance of General Obligation Improvement Bonds, Series 2016a; Covenanting and Obligating the City to be bound by and to Use the Provisions of Minnesota Statutes, Section 446a.086**

Motion by Nielsen, second by Mortensen to approve Resolution 2016-08. Motion carried 4-0-0.

### **Police Department**

#### **Parking in the 600 Block of 2<sup>nd</sup> Street**

Chief Sjolander was unable to attend the meeting tonight, so this item will be tabled until the next meeting.

#### **Update on Police Officer Hiring**

Administrator Vahlsing noted that the first round of interviews was held last week. The second interviews would be held later this week. He said that hopefully, the personnel committee will identify a candidate after the second interviews have taken place.

### **NEW BUSINESS**

**Resolution 2016-06: Resolution in Support of the 2016 Rochester Regional Airport Bonding Bill**  
Motion by Nielsen, second by Mortensen to approve Resolution 2016-06. Motion carried 4-0-0.

### **Approve Appointment of Ethan Eggert to Fire Department**

Motion by Barsness, second by Nielsen to approve the appointment of Ethan Eggert to the Fire Department. Motion carried 4-0-0.

### **Approve Appointment of Tesa St. John to Park & Recreation Committee**

Motion by Engel, second by Nielsen to approve the appointment of Tesa St. John to the Park & Recreation Committee. Motion carried 4-0-0.

### **Fire Department Facility Project – USDA Rural Development Financing Application**

According to George Eilertson of Northland Securities, the project financing involves a \$450,000 promissory note with no general obligation backing. There is also a \$2,450,000 loan that requires a City general obligation backing. The estimated interest rate will be 2.875% with a 40-year term. The interest rate was reduced from the initial estimates provided by USDA Rural Development. The lower rate will result in significant savings over the term of the loan. The City will be required to set-up interim construction financing for the project. The USDA financing will be closed on after construction is completed. According to Administrator Vahlsing, we have to wait for the USDA plan review to be completed to advertise for bids. The final bid will not be awarded by the Council until the application is approved by Rural Development. The City will have 60 – 90 days to award the bid.

Engineer Rhein noted that the plan review is done in St. Paul, while the actual financing application is reviewed by the Kansas City Rural Development regional office. It normally takes six to eight weeks for application approval. Engineer Rhein suggested that the project would keep moving forward if the required resolutions were adopted, and the title opinion was completed. Hopefully, the plans will be ready by the end of April. These steps should allow the bidding process to be completed prior to financing approval. Engineer Rhein noted that the bid date can be pushed back by addendum if needed to accommodate the overall application approval by Rural Development. Attorney Manderschied noted that the resolutions are in order to move forward.

### **Resolution 2016-09: Authorizing a \$2,450,000 General Obligation Bond Issue**

Motion by Nielsen, second by Barsness to approve Resolution 2016-09. Motion carried 4-0-0.

### **Resolution 2016-10: Authorizing a \$450,000 Bond Issue Secured Through a Promissory Note**

Motion by Mortensen, second by Nielsen to approve Resolution 2016-10. Motion carried 4-0-0.

### **OTHER BUSINESS**

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

City Council Meeting: Tuesday, April 12<sup>th</sup> @ 7 p.m.

Board of Equalization: Thursday, April 7<sup>th</sup> @ 5 p.m.

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

Motion Nielsen, seconded by Barsness to adjourn the meeting at 7:40 p.m. Motion Carried 4-0-0.

---

Pam Blow, Administrative Assistant

---

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 31<sup>st</sup> day of March, 2016. The following members were present: Mayor Mike Engel, Council members, Doug Henke and John Mortenson. Absent: Fred Barsness, and Richard Nielsen. Also present: City Administrator Mark Vahlsing,

Mayor Engel called the special meeting to order at 6:00 pm.

**Cancel Residential Solid Waste Hauling Contract with Waste Management**

Administrator Vahlsing stated that if the Council wants to move ahead with a new waste hauler the License Agreement with Waste Management will need to be cancelled. The agreement could be terminated for cause under Section I Subd. 2 of the agreement. This action should be effective April 15, 2016. This is the date that the monthly billing cycle would end.

Motion by Mortenson, second by Henke to terminate the Residential Solid Waste Hauling Contract with Waste Management under Section I. Subd 2 of said agreement. Termination will be effective April 15, 2016. Motion Carried 3-0-0

**Review and Possibly Approve Final Hauling Contract with Gibson Sanitation**

Administrator Vahlsing told the Council that the new license agreement will need to be approved with Gibson Sanitation. It should be effective April 16, 2016. If the agreement is approved it should be conditional on final City Attorney review in case any minor revisions are needed.

Motion by Mortenson, second by Engel to approve Solid Waste Hauling Contract with Gibson Sanitation pending final City Attorney review. Contract shall be effective April 16, 2016. Motion Carried 3-0-0.

**Resolution 2016-12 Reimbursement Resolution for 1st Street Improvement Project**

Vahlsing stated that the resolution is needed so the City can include any previously incurred expenditures in the 1<sup>st</sup> Street Bond issue. These expenses could include engineering, design, legal and other project costs that have been previously expended before the bond financing is finalized.

Motion by Mortenson, second by Henke to approve Resolution 2016-12. Motion Carried 3-0-0

Motion by Henke, second by Mortenson to adjourn meeting at 6:25 p.m.

---

Mark Vahlsing, City Administrator

---

Michael Engel, Mayor

Pursuant to due call and notice thereof, a Board of Equalization and Appeals meeting was duly held in the City Council Chambers at 5:00 p.m. on the 7<sup>th</sup> day of April, 2016. The following members were present: Mayor Mike Engel, Council Members Doug Henke, and John Mortensen. Absent: Fred Barsness, and Richard Nielsen. Also present: City Administrator Vahlsing. Keith Cook, David Emerson, Adam Rothen, Clifford Voxland, James Miner, and John Davidson. Representing the Goodhue County Assessor's Office were and Mike Frankenberg and Michele McCaughtry

The board was called in session at 5:32 p.m.

Assistant Assessor Frankenberg noted that the purpose of this meeting was to discuss property valuations for 2016 assessments, payable in 2017 only. He stated there were 22 property sales in 2015 in the City of Kenyon. He also said that the entire City and County appraised values were adjusted based on sales ratios during the last two years. Staff from the Assessor's Office evaluated, and attempted to visit, 1/5 of the properties in the City.

**Adam Rothen**

**66.365.0270**

Mr. Rothen had a question on the status of the homestead status for his residential property. He also wondered about the valuation of his property. Assistant Assessor Frankenberg reviewed Mr. Rothen's property file with him. He explained the process of how Market Value Exclusion had replaced the Homestead Credit. As the value of the property increases the exclusion amount goes down. The exclusion value is established by the State and is based on \$76,000 maximum value.

**Clifford Voxland**

**66.360.0250**

Mr. Voxland had a question on his tax statement. He questioned if his property was homesteaded. Mr. Frankenberg explained about Market Value Exclusion that took the place of the Homestead Credit. As the value of the property goes up, the exclusion amount goes down and is set by the State of Minnesota (based on \$76,000 maximum value). Assistant Assessor Frankenberg told Mr. Voxland that his property was properly classified as residential.

**James Miner**

**66.240.1170**

Mr. Miner had a question of market value exclusion for his residential property. He also wanted to know if the assessor's office physically viewed his property. He felt that the valuation increase for his property was too high. Mr. Frankenberg explained about Market Value Exclusion process. He told Mr. Miner that his property value had increased approximately 7%. Mr. Minor stated that he was on a fixed income and asked if that could be taken into account when the County increases valuations. He would have a hard time being able to afford the increase in his taxes. Mayor Engel stated that all properties in the City had a valuation increase. Mr. Miner's increase was not out of line with other residential properties in the City.

**David Emerson**

**(4 parcels) 66.300.0280, 66.100.0250 66.520.0320, 66.520.0330**

Mr. Emerson stated that he owned four commercial buildings in downtown Kenyon. He said the valuation of the properties had increased by 40% over the last year. He said the buildings were old and that the roof, despite being steel, still leaked. Assistant Assessor Frankenberg reviewed the property file and said that the building had been visited by Assessors office staff but no one was at the store at that time. Mr. Emerson stated that he was probably out on a carpet install job. Assistant Assessor Frankenberg stated that he would meet with Mr. Emerson and view his buildings. He would report back too the City after visiting the property and further review of the file. Councilmen Henke stated that the increase was very high.

**Keith Cook**

**66.640.0150**

Mr. Cook asked the County Assessor representatives why his property value had increased so much. Assistant Assessor Frankenberg stated that the value had increased 8%. Mr. Cook felt that his land was valued to highly. He said that the land and house of his neighbor to the west (Fred Barsness) was valued much lower then his. Assistant Assessor Frankenberg stated that actually the Barsness land was valued more than Mr. Cook's land. Mr. Cook said his house was smaller than the Barsness house, but valued higher. Frankenburg said they were different

types of houses and were hard to compare. Cook said that he also was on a fixed income and had a hard time keeping up with the valuation increases.

**John Davidson**

**66.180.0160**

Mr. Davidson asked why the tax statements had come in the mail only yesterday. Assistant Assessor Frankenberg stated that tax statements were mailed out earlier, but they had some errors. Corrected forms were mailed out earlier this week, the corrections that were made did not affect change the property valuations.

Assistant Assessor Frankenberg stated that the County Assessor's office had received one call and letter prior to the Board of Adjustment meeting.

**Peter Hegseth**

**66.680.0190 & 66.700.0100**

Assistant Assessor Frankenberg stated that his office had received a written request on the valuation increase of two parcels owned by Mr. Hegseth. After the call, Assistant Assessor Frankenberg reviewed the file further. He recommended a reduction to the value of both parcels.

Motion by Henke, second by Mortensen to approve a reduction in the assessed value of parcels: 66.680.0190 from \$4,100 to \$2,700 and 66.700.0100 from \$5,700 to \$3,800. Motion Carried 4-0-0

**Dorothy Wolkenhauer**

**66.500.0040**

Mrs. Wolkenhauer had called the Assessor's offices with questions on the valuation of her property. Assistant Assessor Frankenberg said that he reviewed the property file and discussed it further with Mrs. Wolkenhauer. He stated that she was satisfied with the answers to her questions.

Motion by Mortensen, second by Henke to adjourn the meeting at 5:55 pm.

---

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 12<sup>th</sup> day of April, 2016. The following members were present: Mayor Mike Engel, Council Members, Fred Barsness, Richard Nielsen, Doug Henke and John Mortensen. Also present: Administrator Mark Vahlsing, Engineer Joe Rhein, Attorney Scott Riggs, and Administrative Assistant Pam Blow.

### **CITIZEN COMMENTS**

None

### **ADOPT AGENDA**

Add: / XI / New Business / D / Approve Hiring of Full Time Police Officer Alex Rehbein. Motion by Nielsen second by Mortensen to approve the agenda as amended. Motion carried 5-0-0.

### **CONSENT AGENDA**

Motion by Barsness second by Nielsen to approve the Consent Agenda, which includes payment of check numbers, 64568 through 64708; 2539E through 2554E; and additional checks 64709 through 64724. Motion carried 5-0-0.

### **PRESENTATIONS**

#### **2015 Audit Presentation – Tom Wentz, Smith ♦ Schafer**

Mr. Wentz noted that a clean opinion of the 2015 Audit was issued. Mr. Wentz reviewed the audited figures for revenues, expenditures and fund balances. According to Mr. Wentz, all special revenue funds have positive fund balances.

### **ENGINEERING**

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

According to Engineer Rhein, the contract for the project will be executed next week. A pre-construction meeting was held today, and a neighbor meeting will be held on April 18<sup>th</sup> at 6 p.m. Subsequent to the neighbor meeting, a notice to proceed document will be given to the contractor. They will mobilize and begin the project during the week of April 18<sup>th</sup>.

#### **Update on Fire Facility Project**

Engineer Rhein told the Council that the plans and specifications have been submitted to the USDA architect for review. After they have been approved by USDA, the council will meet review them one last time before possible adoption. According to Engineer Rhein, Stage 2 of the USDA funding is complete, and the “Letter of Conditions” has been signed with the USDA. The projected bid advertising date is in June, but it is dependent upon all approvals from the USDA being completed by that time.

### **LEGAL**

#### **Luis Tellez (Taco Express) Lot Use Agreement**

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

#### **Kenyon Country Club Liquor License Renewal**

Motion by Nielsen, second by Barsness to approve the license for on-sale and Sunday liquor. Motion carried 5-0-0.

### **OLD BUSINESS**

#### **Police Department**

#### **Parking in the 600 Block of 2<sup>nd</sup> Street**

Chief Sjolander has previously asked that new handicapped parking spaces be installed in front of Tatge Jewelry and Papa’s Restaurant. Mayor Engel suggested that there should be a handicapped parking space in front of City Hall, but Chief Sjolander noted that there is a handicapped parking space in the City’s parking lot east of City Hall. Mayor Engel noted that he wouldn’t support more restrictions for parking because the spaces are limited and staff time for enforcement is also limited. Councilman Henke commented that the parking stalls should be re-painted. He also noted that he spoke with a business owner who has been in business downtown for years, and the business owner has not had any complaints about lack of parking.

#### **Update on Police Officer Hiring**

Chief Sjolander noted that Alex Rehbein has accepted the job offer with the KPD. The background investigation is completed and the psychological and physical testing will be completed as soon as possible.

### **NEW BUSINESS**

#### **Resolution 2016-11: Resolution in Support of the Minnesota Broadband Vision**

Administrator Vahlsing noted that this is part of a statewide effort to get additional broadband services into rural Minnesota. Motion by Engel, second by Nielsen to approve Resolution 2016-11. Motion carried 5-0-0.

#### **Approve Kenyon Senior Living 2<sup>nd</sup> Annual 5K Fun Run/Walk**

Chief Sjolander noted that part of the proposed route for this event planned for May 21, 2016, is along 1<sup>st</sup> Street which will be under construction at the time of the race. He told the council that he will work with the planning committee to avoid using that road due to construction. He stated they will have additional staff on duty to ensure a safe event. Motion by Henke, second by Nielsen to approve Kenyon Senior Living 5K. Motion carried 5-0-0.

#### **Approve Changes to Administrative Policy #24 – Garbage and Recycling**

According to Administrator Vahlsing, the changes in the policy are minor to reflect the change in haulers and cost.

Motion by Mortensen, second by Nielsen to approve Administrative Policy #24. Motion carried 5-0-0.

**Approve Hiring of Full Time Police Officer Alex Rehbein**

Motion by Henke, second by Nielsen to approve the hiring of Alex Rehbein as a full-time police officer. Motion carried 5-0-0.

**OTHER BUSINESS**

**Schedule of Upcoming Meetings**

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

SEMLM Annual Meeting: Wednesday, April 27<sup>th</sup> in Elgin

**COUNCIL AND STAFF GENERAL COMMENTS**

Councilman Barsness read a statement regarding the construction of the new Fire Hall. He stated that he had mentioned at a previous work session his concerns about the high cost of the facility. He read that the Fire Hall is a building meant to house equipment, hold meetings and practices. The new design has offices, a kitchen and several bathrooms. Additionally, the storm drain system seems excessive, according to Councilman Barsness. He went on to say that the design is an embarrassment and that it will cost many tax dollars. Barsness noted that his comments are not to stop the construction of the Fire Hall, but to stand up for the voters that he represents, when he feels we are wasting those tax dollars. According to Barsness, the citizens are the only people who are going to pay for the facility, and they put their trust in the council to use the money wisely. Councilman Barsness thanked the group for letting him speak.

Councilman Nielsen commented that he voted against the design of the Fire Hall for some of the reasons given above by Councilman Barsness. Nielsen agrees with Barsness that the plan may be more expensive that it needs to be. Nielsen would like to find ways to decrease the cost without decreasing the effectiveness of the design for the Fire Hall.

Councilman Henke asked Engineer Rhein to look into some of the concerns mentioned. Henke feels that the design is good, but would like to be assured that it isn't extravagant.

Engineer Rhein noted that there were two review meetings for the design of the Fire Hall, but they were mainly staff and consultant level meetings. Mayor Engel had attended that first review meeting and Councilmen Barsness had attended the second review meeting. There will be a final council review of the plans. Rhein mentioned that the MPCA and USDA funding requires the storm water plan that is a part of the site design. Some of the other design elements are also a result of USDA requirements.

Mayor Engel commented that we have had expenditures with the project; including engineering, architect, and legal. Engel doesn't feel that the building needs to be elaborate, but doesn't want a tin shed, and we need to proceed. Engel commented that it may have been a mistake not to have the full council attend the meetings held to review the design.

Councilman Henke noted that he is glad that Councilman Barsness brought up his concerns and would like it if the council could review the plans so the project can move forward. Engineer Rhein noted that a full review by the council is the next step in the process.

Administrator Vahlsing suggested that a meeting be arranged with the architect and the entire council to review the entire design. A work session will be planned for May 4<sup>th</sup> or 6<sup>th</sup>, depending on availability of staff and council schedules. Vahlsing also noted that some design elements are required by the building code and have to be met. Engineer Rhein noted that the plans and specifications can be accessed by the council on-line.

Councilman Nielsen asked about what was happening with the old tennis courts, and Administrator Vahlsing noted that the property belongs to First Evangelical Church. They have no interest in selling that lot and no plans at this time for the property.

Councilman Mortensen noted that the Municipal Liquor Store's revenue is up by 8% for the first three months of this year.

Motion Nielsen, seconded by Engel to adjourn the meeting at 8:40 p.m. Motion Carried 5-0-0.

---

Pam Blow, Administrative Assistant

---

Michael Engel, Mayor

Pursuant to due call and notice thereof, a City Council Work Session was duly held in the City Hall Council Chambers on the 6<sup>th</sup> day of May, 2016. The following members were present: Mayor Mike Engel, Council members, Fred Barsness, John Mortensen, and Doug Henke. Absent: Richard Nielsen. Also present: City Administrator Mark Vahlsing, Fire Chief John Lee, City Engineer Joe Rhein, Architect Corey Brunton, Engineer Ted Clavel, Arnie Petricka, and Bernie Overby.

Mayor Engel called the work session to order at 1:00 p.m.

**Review Final Plans and Specifications for Fire Hall Project with City Engineer and Architect**  
City Engineer Rhein provided an overview of the meeting format.

Project Architect Corey Brunton provided an overview on the proposed Fire Building and specific areas including the building layout, electrical, plumbing, mechanical and other areas.

Councilman Barsness asked what the cost is of the aggregate finish on the building exterior and the hose tower. He proposed eliminating the mezzanine and hose tower. This might allow the overall building height to be lower. City Engineer Rhein said that the mezzanine and the hose tower were added after the feedback from the Fire Facility Committee. Fire Chief Lee stated that the hose tower would extend the life of the hoses.

Ted Clavel, Mechanical Engineer with Brunton Architects, reviewed the mechanical system. Councilman Barsness asked why there were six heater units inside the building. Mr. Clavel said that number of heater units were needed to be placed in the upper part of the building but could not be directly above the trucks. He also said that the mechanical system was stock and not anything fancy.

Bernie Overby stated that that many things had been cut already from the original plans recommended by the committee.

Clavel then reviewed the plumbing plans. Councilman Barsness asked why one three inch and two four inch water lines were needed. Why were two hose bibs needed? Clavel said that it would save \$500 to eliminate one hose bib and one line. Chief Lee said that the separate lines were needed to accommodate the water that goes into the tanker so it will fill faster.

Councilman Barsness distributed a modified plan for the office/kitchen/storage area.

Clavel reviewed the electrical system of the project. Councilman Barsness asked if the lights for the parking lot could be eliminated and replaced with lights on the exterior of the building.

City Engineer Rhein reviewed the site engineering plan. He also reviewed storm sewer and other utility placement. Councilman Barsness asked if the storm water could drain on the surface to the retention pond. This would eliminate the underground storm water lines. Could the retention pond be moved to the east? City Engineer Rhein stated that the retention pond was proposed to be placed at the lowest point on the site. He said that the storm drainage plan was based on MPCA requirements. The project was required by MPCA to control both storm water runoff and quality. Therefore, a wet retention pond was required, and it had to be designed to hold three feet of water.

Rhein then reviewed the parking plans. There were a total of 72 stalls proposed for the project. The City Code would require 61 stalls. Councilman Barsness asked if the parking lot to the north could be eliminated. He stated that the overall paved area west of the building was too large and should be reduced. City Engineer Rhein stated that probably 10-15 stalls realistically could be eliminated, and this could save \$12,000-\$15,000. Other changes could be made to reduce the amount sidewalk, curb and gutter areas. Exterior lighting could also be reduced. These revisions could save an additional \$8,000-\$10,000. Mayor Engel commented that those changes would result in substantial savings.

Councilman Henke was concerned about reducing the amount of paved area. He stated that in the winter the larger paved area would be beneficial. Especially during winters with a high amount of snow.

Rhein reviewed a spreadsheet showing the savings from alternates that have been included in the final project plans. Roughing in the kitchen would save \$18,000. Changes to parking and related areas could reduce costs by another \$25,000. If bid comes in 5% lower, it could save an additional \$114,000. All these reductions could lower the overall costs by approximately \$150,000.

Project Architect Brunton stated that he would recommend a 5% contingency be included in the project budget. Rhein reviewed the items that had been identified by Councilman Barsness. Eliminating the mezzanine and hose tower would allow the building height to be lower. Wall textures could also be added as an alternate. Pictures of concrete finish that would be used on the building exterior were distributed by Engineer Rhein. Changes to parking areas were previously discussed.

Councilman Barsness felt the three overhead doors were not needed on the east side of the building. He stated that two could be eliminated. Architect Brunton stated that the cost of the overhead doors was approximately \$4000 per door. Administrator Vahlsing stated that from a safety standpoint that all the overhead doors shown in the plans should remain.

Further discussion was held on eliminating the mezzanine and hose tower. Brunton stated that the net savings could be \$5,000, but there would be additional costs for design changes. Councilman Henke felt eliminating the mezzanine would be a mistake.

Councilman Barsness stated the residents of the City did not want a \$3,000,000 Fire Hall. Councilman Henke asked why the project had not been built in the past. Further delays or putting the project off another year would increase the final cost. Councilman Henke stated that he went out in the community and only one person had expressed concern with the project; whereas, many other people were in favor of the project.

Engineer Rhein updated the Council on the status of scheduling for the project.

Administrator Vahlsing discussed comments on the final plans from Councilman Nielsen. He felt that consideration should be given to a steel building and he questioned the need for 8 bays.

Motion by Engel, second by Henke to adjourn work session at 5:10 p.m. Motion Carried 4-0-0.

---

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 10<sup>th</sup> day of May, 2016. The following members were present: Mayor Mike Engel, Council Members, Fred Barsness, Richard Nielsen, Doug Henke and John Mortensen. Also present: Administrator Mark Vahlsing, Engineer Joe Rhein, Attorney Tony Gilchrist, Police Chief Lee Sjolander, Fire Chief John Lee, and Administrative Assistant Pam Blow.

### **CITIZEN COMMENTS**

None

### **ADOPT AGENDA**

Add: / VII / Engineering / B-2 / Resolution 2016-15: A Resolution Approving Plans and Specifications and Authorizing Call for Bids. Motion by Nielsen second by Mortensen to approve the agenda as amended. Motion carried 5-0-0.

### **CONSENT AGENDA**

Motion by Barsness second by Nielsen to approve the Consent Agenda, which includes payment of check numbers, 64725 through 64852; 2557E through 2571E; and additional checks 64853 through 64871. Motion carried 5-0-0.

### **PRESENTATIONS**

#### **Oath of Office for Kenyon Police Officer Alex Rehbein**

Chief Sjolander introduced Officer Rehbein, and he read his oath of office.

### **ENGINEERING**

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

According to City Engineer Rhein, the Neighborhood Information meeting was held on April 18<sup>th</sup>, and the Notice to Proceed was issued to the contractor on April 19<sup>th</sup>. The main sewer line is in place, and there are three services left to complete as of this date. The contractor hopes to begin staking the street by the end of the week and applying the gravel base. The project is on track to be completed one month ahead of schedule. The contractor has reported a good experience working with the residents in the project area. A construction newsletter was sent to residents in the project area.

#### **Pay Request #1 – Heselton Construction - \$56,308.25**

Engineer Rhein recommended approval of the pay request, and he stated that 5% of the pay request would be withheld.

Motion by Nielsen, second by Henke to approve the pay request in the amount of \$56,308.25. Motion carried 5-0-0.

#### **Update on Fire Facility Project**

##### **Further Review of Plans and Specifications**

Engineer Rhein reviewed the memo included in the packet with updates on the recent activities for the project. He stated that there was a council work session last Friday to review the project plans and specifications. No major changes were made to the plans as a result of that meeting. Councilman Nielsen asked Councilman Barsness if his and the rest of the council's questions had been addressed. Councilman Barsness commented that he is ready to move forward with the project.

Engineer Rhein commented that he appreciates the work done by the council, and the next step in the process is to identify the alternates that should be included. Rhein cautioned the council to only choose the alternates that would likely be accepted. After further discussion the interior LED lighting was removed from the alternate list and will be made a part of the base bid. Rhein stated that the payback on LED lighting is seven to eight years. The alternates for the solid surface counter tops, kitchen cabinets and sink were also removed from the list.

The second item that Engineer Rhein mentioned for clarification on the plans is "Unit Price Work." This term refers to the price per foot included in the contract. The east side of the parking lot could be included in the contract as Unit Price Work with no curb, along with the south concrete curb line of the south parking lot. According to Engineer Rhein, City Code requires 31 stalls for public parking, and the current plan has 43 stalls. A reduction to 27 stalls, with 7 stalls on the west side of the building would save \$15,000. The northwest corner of the parking lot can be reduced in size. Mayor Engel noted that the reduction in public parking would be a good idea. Councilman Henke commented that having a straight area to drive through (not on a radius) would be preferable, and he would recommend leaving the north parking area as designed currently. Councilmen Nielsen, Barsness and Mortensen agreed with Henke's suggestion. The final listing of options for parking and alternates is listed below in the motion for the project.

Engineer Rhein noted the bid opening could be on June 8, 2016 at 2:00 p.m., and the award could be made at the regular council meeting. Bids will be published in the Rochester and Kenyon newspapers. The official approval by USDA needs to be received before we can award the bid. If the USDA hasn't approved the plans before June 8<sup>th</sup>, an addendum can be issued to push the bid date back.

**Resolution 2016-15: A Resolution Approving Plans and Specifications and Authorizing Call for Bids**

Motion by Engel, second by Nielsen to approve Resolution 2016-15 with the following changes:

- Alternate #1 – Exterior wall panel finish;
- Alternate #2 – Flag poles with lighting;
- Alternate #3 – Entrance treatment;
- Alternate #4 – Fully adhered roof system (to be eliminated if there are no insurance advantages in keeping this option);
- LED lighting will be part of the base bid;
- Kitchen cabinets and sink are removed from the plans and specs;
- Laminate counter tops are part of the base bid and there is no alternate for solid counter tops;
- Reduce the south parking lot by 16 stalls and revise the parking lot lighting accordingly, which may result in the removal of one light;
- Unit Price Work will include the south curb of the south parking lot, along with the west side of the parking lot.

Motion carried 5-0-0.

**Patching & Overlay Project Quote for Portions of 7<sup>th</sup> Street and Forest Street**

Bituminous Materials submitted a quote for mill and overlay on 7<sup>th</sup> Street from Red Wing Avenue to Forest Street, along with pavement removal and patching on two intersections. Engineer Rhein recommended approval of the quote. Administrator Vahlsing noted the work could be done at the end of July. Attorney Gilchrist said that because the quote exceeded \$25,000, we should get a second quote if possible. Councilman Henke asked if the road condition at 8<sup>th</sup> Street & Bullis could be reviewed.

Motion by Nielsen, second by Mortensen to table this matter to next month so a second quote can be procured. Motion carried 5-0-0.

Mayor Engel asked if the Pavement Management plan from 2010 is still useful. Administrator Vahlsing noted that most of the projects on that plan have been done. Engineer Rhein will review the 2010 plan to see which projects are left to do and the estimated cost.

**2017 Highway 56 Bridge Replacement**

According to Administrator Vahlsing, MN DoT plans to replace the bridge in 2017. The bridge will be replaced in stages so that one lane will remain open for access to Trondheim and north Highway 56. A bridge north of Stanton will be done at the same time, so some traffic disruption will occur.

**LEGAL**

**Resolution 2016-14: Resolution Approving Minor Subdivision of Property in the City of Kenyon (Bauernfeind/Engel)**

Motion by Nielsen, second by Henke to approve Resolution 2016-14. Motion carried 4-0-0, with Engel abstaining.

**VFW Club Liquor License Renewal**

Motion by Barsness, second by Mortensen to approve the club license. Motion carried 5-0-0.

**OLD BUSINESS**

**Police Department**

**Update on Parking in the 600 Block of 2<sup>nd</sup> Street**

Chief Sjolander is recommending that one handicapped stall be created in front of the Papas café, and to have paint striping done for all the parking stalls.

**Painting of Parking Stalls, Crosswalks, etc.**

Administrator Vahlsing noted that the painting project will be done in the next four to six weeks.

**NEW BUSINESS**

**Resolution 2016-13: Resolution Awarding the Sale of General Obligation Improvement Bonds, Series 2016A, in the Aggregate Principal Amount of \$625,000; Fixing their Form and**

**Specifications; Directing their Execution and Delivery; and Providing for their Payment**

George Eilertson of Northland Securities noted that this bond sale is for financing of the 1<sup>st</sup> Street project in the amount of \$620,000. The bond would be paid back with special assessments and tax levies. There will be a 20-year repayment on the bond at 2.62% interest. The bonds will be dated June 9, 2016, and that is when the funds will be available. Administrator Vahlsing noted that the interest rate is favorable, and the assessment rate will be 4.4%, which is 1.5% over the City's cost.

Motion by Nielsen, second by Mortensen to approve Resolution 2016-13. Motion carried 5-0-0.

**Fire Department****Donate old Turnout Gear to Federal Dam, MN Fire Department**

Administrator Vahlsing stated that the Federal Dam, MN Fire Department would be interested in some of the Kenyon Fire Department's old turnout gear. The Council is required to approve donations of City equipment. Fire Chief John Lee noted that the department would keep their newer, unused turnout gear for new firemen until they become certified. At the time of certification, the new firemen will get their own gear.

Motion by Engel, second by Nielsen to approve the donation of the unused turnout gear to the Federal Dam, MN Fire Department. Motion carried 5-0-0.

**Jamie Wallaker Retirement**

According to Chief Lee, Jamie is moving to Byron. Motion by Barsness, second by Henke to approve the retirement of Fireman Wallaker. Motion carried 5-0-0.

**Approve Memorial Day Parade Permit**

Motion by Mortensen, second by Barsness to approve the parade permit. Motion carried 5-0-0.

**Approve Hiring of Municipal Swimming Pool Employees**

Motion by Nielsen, second by Mortensen to approve the hiring of all the pool employees as listed on the agenda. Motion carried 5-0-0

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

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

**COUNCIL AND STAFF GENERAL COMMENTS**

Mortensen noted that there is hydraulic fluid on Whitetail Lane that is tracking into driveways in the area. Administrator Vahlsing will look into the matter further.

Administrator Vahlsing noted that he will call Councilman Nielsen to review the plans for the fire facility further. Vahlsing also noted that our janitor, Don Skillestad will be retiring in two weeks. Melissa Bartel, who cleans at the Municipal Liquor Store, will be submitting a quote for janitorial services.

Engineer Rhein commented that he appreciates the work on the fire facility project by the council. Mayor Engel noted that he is confident that we will have an efficient Fire Hall.

Attorney Gilchrist extended apologies by Scott Riggs that he was unable to attend the meeting tonight.

Motion Henke, seconded by Nielsen to adjourn the meeting at 8:40 p.m. Motion Carried 5-0-0.

---

Pam Blow, Administrative Assistant

---

Michael Engel, Mayor