

Pursuant to due call and notice thereof, a City Council Work Session meeting was duly held in the City Hall conference room on the 11th day of August, 2015. The following members were present: Mayor Mike Engel, Council members, Fred Barsness, Richard Nielsen, John Mortensen, and Doug Henke. Also present: City Administrator Mark Vahlsing, Public Works Superintendent Steve Baalson, Operations Superintendent Randy Eggert, City Engineer Joe Rhein, and Bryan Holtz from Bolton & Menk.

Mayor Engel called the work session to order at 6:00 p.m.

Review Feasibility Work for Possible 1st Street Project in 2016

Administrator Vahlsing noted that the purpose of this meeting is to lay out the project in more depth to determine the progress of the engineering to date. Engineer Rhein commented that the memorandum and maps that were distributed include background information, existing conditions, preliminary conclusions and next steps. Rhein also noted that there is no City sanitary sewer on 1st Street; however, some private sewer mains are located there. They have a pretty good idea where most of the private sewers are located. Further information regarding current sewer locations are included in the maps that were provided for this meeting by Engineer Rhein. All of these items were discussed during this meeting. Engineer Rhein commented that the project would move forward with two public hearings after the feasibility report/process has been completed.

KMU Operations Superintendent Randy Eggert noted that in 1985, a 2” ductile iron water main was put in along 1st Street. Eggert said that next spring, a leak survey will be done to see if there are any problems with this water main.

Administrator Vahlsing noted that because we will likely do a bond to finance this project, it may be best to reconstruct all three blocks at one time instead of splitting it up over multiple years.

There being no further business, the meeting was adjourned at 7:00 p.m.

Pam Blow, Administrative Assistant

Michael Engel, Mayor

Pursuant to due call and notice thereof, a City Council Meeting was duly held in the City Council chambers at 7:05 p.m. on the 11th day of August, 2015. The following members were present: Mayor Mike Engel, Council Members, Fred Barsness, Richard Nielsen, John Mortensen, and Doug Henke. Also present: Administrator Mark Vahlsing, Engineer Joe Rhein, Attorney Sarah Sonsalla, and Administrative Assistant Pam Blow.

John Mortensen read the oath of office and was sworn in.

CITIZEN COMMENTS

None

ADOPT AGENDA

Addition: / XI / New Business / G / Change in Council Member Appointment to Park & Recreation Committee. Motion by Nielsen seconded by Henke to adopt the agenda as amended. Motion carried 5-0-0.

CONSENT AGENDA

Motion by Barsness seconded by Nielsen to approve the Consent Agenda, which includes payment of check numbers 63271 through 63380; 2391E through 2412E and additional checks 63415 through 63442. Motion carried 5-0-0.

ENGINEERING

Update on Feasibility Work – 1st Street Reconstruction Project

City Engineer Rhein noted that the 1st Street project had been discussed at a work session held prior to this council meeting. Administrator Vahlsing stated that in order for the 1st Street project to occur in 2016, the feasibility study should be ordered by the September Council meeting. This study would be the first step in the requirements for the assessment process.

Fire Facility Project

Update on Space Needs Analysis

According to City Engineer Rhein, he and Corey Brunton of Brunton Architects have met twice with the Fire Facility Committee to discuss the size and space layouts for the proposed fire facility. The Committee has indicated their preferred options and preliminary floor plans have been developed.

Corey Brunton addressed the council and mentioned that the Foldcraft property is a workable site and it receives the building very well. Brunton also noted that along with expandability, there is a separation from the apparatus and meeting/public areas in the building layout. The space analysis has been completed. The block diagram shows a proposed floor plan with 16,400 square feet of space. The design was completed with safety as a primary consideration. The next step in the design process will be to give the building an exterior form. Councilman Barsness asked what costs can be expected based upon 16,400 s.f. Mr. Brunton commented that the costs will be more firm after completing the next step, but can be from \$150 to \$250 per square foot. Barsness commented that he didn't believe the city would be spending \$2,000,000 on this project. Administrator Vahlsing noted that the Fire Facility Committee indicated that it would be optimal to have 12 bays, but the block drawing only shows 10 bays plus two wash bays. The concept plan submitted by Brunton is somewhat larger but still comparable to those that were developed previously over the past ten years (the last was completed in 2011). According to Administrator Vahlsing, funding sources for the project have not been determined. He stated that more finalized cost estimates will be needed to develop a more specific financing plan. Brunton noted that there are three criteria that will help develop substantiation for the project. These criteria are cost, quality and quantity.

Mayor Engel noted that we need to be able to provide a functioning, long lasting facility.

Councilman Henke noted that Brunton did his homework and helped to understand the purposes of the building, and he is very comfortable with the work they are doing. Councilman Mortensen commented that previous fire facility plans had community rooms and a kitchen for public use.

Engineer Rhein noted that the next step in the design process will be to take the floor plan and create a 3D rendering, along with a cost estimate. After that is done, the project can be shaped and molded to come in line with what the City can afford.

Motion by Nielsen, second by Barsness to approve the next phase of this project; including 1) rendering, 2) statement of probable cost, 3) presentation at a cost of \$6,800. Motion carried 5-0-0.

Phase I Environmental Assessment

According to Engineer Rhein, the Phase One Assessment was completed last week and it appears that there is no problem with the Foldcraft site. If construction happens on this site, there will be the condition that workers be aware of contaminations. He felt that no further investigation is needed before the purchase of the site.

Bullis Street & 6th Street Overlay Project

Engineer Rhein discussed the discrepancies that exist between the two quotes that were received for this project, which was tabled at the last council meeting. Rhein contacted LaCanne Contracting and received an email response to clarify his quoted pricing. He stated that LaCanne declined to provide the square yards of surfacing contained in his quote and he provided two references. After reviewing LaCanne's information, Engineer Rhein noted that the two quotes are not equivalent, and he recommended that the council could accept one of the quotes, or reject both and get new quotes with specifications given by the engineer. Councilman Mortensen noted that Bullis Street is a main artery for school busses, and wondered if the project could be done before the busses start running.

Motion by Engel, second by Henke to approve the quote from BMI. Motion carried 5-0-0.

PRESENTATIONS

Legislative Update by Senator Matt Schmit

Senator Schmit gave the 2015 legislative session highlights, and also talked briefly about the projects he is focused on for the 2016 session.

LEGAL

Fire Hall Site Purchase

Resolution 2015-11: Resolution Approving Minor Subdivision of Property in the City of Kenyon (Foldcraft)

Attorney Sonsalla noted that this resolution will authorize the property split so the City can purchase the parcel.

Motion by Engel, second by Nielsen to approve Resolution 2015-11. Motion carried 5-0-0.

Updated Policies for Kenyon Police Department

According to Chief Sjolander, certain policies needed to be updated: 1) Use of Force, 2) Allegations of Misconduct, 3) Professional Conduct of Officers, 4) Domestic Abuse, 5) Predatory Offender, 6) Impartial Policing, 7) Procession of Property Seized.

Motion by Nielsen, second by Mortensen to approve the updated policies. Motion carried 5-0-0.

OLD BUSINESS

Municipal Liquor Store Patio

Administrator Vahlsing noted the updated estimates that were compiled, which include the installation of the door, patio, fencing and security camera. The total estimated cost of the project is \$10,401. All of the contractors would be local with the exception of the security camera installation. Mayor Engel commented that he has doubts whether the project will increase business enough to pay for the project. Councilman Barsness noted that he feels we that the City should move ahead, and this would be a nice addition to the Liquor Store. Councilman Henke said he has not heard any negative comments regarding the project. According to Councilman Mortensen, patios are common at bars in Rochester and the Twin Cities.

Motion to by Barsness, second by Henke to approve the patio project which will include a 7-foot fence. Motion carried 5-0-0.

Trondheim Area Paving - Bigelow

Administrator Vahlsing received an email from Bigelow Development earlier in the day that they have contracted with BMI Inc. to complete the paving project. They hope to begin on or before September 1, 2015.

Pool

Water Clarity Issues

According to Administrator Vahlsing, the pool has had two cycles of water clarity issues. At first, chemicals were used and this was successful for a time. The main pump was replaced today and the water is moving through at a higher rate. The pool should be reopened in a day or so.

Pool Painting

Administrator Vahlsing noted that Olympic Pools has stated they will honor their quote through the fall. They would hold any increase in 2016 to 2%. They have recommended that the City wait until next

spring to start the project. Vahlsing stated that sonar testing will be completed after the pool closes this year. This testing would help determine if there are leaks in the pool area.

NEW BUSINESS

Depot Park Liquor Requests

Motion by Barsness, second by Nielsen to approve the requests to have liquor at Depot Park by 1) Kenyon Veteran's Color Guard Picnic on September 12, 2015, and 2) Richard Westpahl Family Reunion on September 20, 2015. Motion carried 5-0-0.

Street Closure for Block Party on August 16th – Lisa Johnson

Motion by Engel, second by Henke to approve the closure of Washington and State Streets from 7th to 8th Streets on Sunday, August 16th from Noon to 3 p.m. Motion carried 5-0-0.

Approve Hiring of Steve Meduna, Bartender/Clerk – Liquor Store

Motion by Mortensen, second by Nielsen to approve the hire as requested. Motion carried 5-0-0.

Small Cities Assistance Payment

According to Administrator Vahlsing, cities under 5,000 population received State aid in 2015 to assist with street construction or maintenance. The City of Kenyon will receive \$25,000 this year which will be split into two payments.

2016 City budget Process

According to Administrator Vahlsing, he and Sue Dodds will begin meeting with department heads to review budget figures for 2016. The preliminary levy has to be certified before the end of September. A Special City Council meeting / Work Session will be held on August 31, 2015 at 5:30 p.m. to go over the levy and preliminary budget. The maximum levy will be on the September council meeting agenda for final approval.

Council Representative Appointment to AIP Rail Task Force

Motion by Engel, second by Mortensen to appoint Doug Henke to the AIP task force. Motion carried 5-0-0.

Change in Council Member Appointment to Park & Recreation Committee

Motion by Engel, second by Barsness to appoint John Mortensen to the Park and Recreation Committee in place of Doug Henke. Motion carried 5-0-0.

OTHER BUSINESS

Schedule of Upcoming Meetings

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

COUNCIL AND STAFF GENERAL COMMENTS

Henke recognized several thank-you notes that had been written to the Kenyon Police Department for donations and for a child who had their bike stolen.

John Mortensen was welcomed to the council by the rest of the members.

Motion Engel, seconded by Henke to adjourn the meeting at 8:50 p.m. Motion carried 5-0-0.

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 at 5:30 p.m. on the 31st day of August, 2015. The following members were present: Mayor Mike Engel, council members, Fred Barsness, Richard Nielsen, Doug Henke, and John Mortensen. Also present: Bookkeeper Sue Dodds, City Administrator Mark Vahlsing, and City Engineer Joe Rhein.

Review Proposed 2016 Budget

City Administrator Vahlsing provided an overview of the budget process. Bookkeeper Dodds reviewed a breakdown of the proposed 2016 levy. A 2% increase was built into the proposed budget.

Administrator Vahlsing discussed upcoming 2016 projects and the impacts on the budget. He stated that overall the budget was healthy. There would be small increase in Local Government Aid, and continued road aid. He also reviewed 5% and 7% increase options and their effect on the proposed 2016 budget. With the possible Fire Facility and 1st Street projects, there would be the potential for larger levy and budget increases in upcoming years. A slightly larger increase in 2016 would help phase in the needed increases over several years. Administrator Vahlsing asked Bookkeeper Dodds to provide an estimate of a 7% increase in the 2016 levy for consideration at the September Council meeting.

1st Street project Feasibility Study

Administrator Vahlsing stated that a proposal for a Feasibility Study on the 1st Street area between Red Wind and Bullis Streets had been received from Bolton and Menk. The cost of the study was a not to exceed cost of \$14,000.

City Engineer Rhein reviewed the steps that would be involved in the Feasibility Study. The study would look at existing conditions of the streets and utilities. It would also make recommendations on needed improvements, estimate associated project costs, and assessments. He also discussed the 429 assessment process. Councilmen Hanke asked if the project could be completed in phases.

Motion by Nielsen, second by Barsness to authorize the City Engineer to complete Feasibility Study on 1st Street between Red Wing Ave. and Bullis St. based on the terms of the proposal. Motion carried 5-0-0.

Motion by Nielsen, second by Mortensen to adjourn the special meeting at 6:35 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 7:05 p.m. on the 8th day of September, 2015. The following members were present: Mayor Mike Engel, Council Members, Fred Barsness, Richard Nielsen, John Mortensen, and Doug Henke. Also present: Administrator Mark Vahlsing, Engineer Joe Rhein, Attorney Scott Riggs, and Administrative Assistant Pam Blow.

CITIZEN COMMENTS

Representative Steve Drazkowski gave an update on the 2015 legislative session and noted expected legislation for the 2016 session.

ADOPT AGENDA

Motion by Nielsen seconded by Mortensen to adopt the agenda as published. Motion carried 5-0-0.

CONSENT AGENDA

Motion by Nielsen seconded by Henke to approve the Consent Agenda, which includes payment of check numbers 63443 through 63584; 2414E through 2426E and additional checks 63619 through 63637. Motion carried 5-0-0.

ENGINEERING

Update on 1st Street Reconstruction Project

City Engineer Rhein noted that the council authorized preparation of the feasibility report at the special meeting held on August 31, 2015. The report will outline the existing project area, and give projections for costs and recommendations for improvements. Rhein mentioned that the call for the public hearing would be done at the October council meeting and the hearing would take place at the regular meeting in November. A work session would be held in late October when the feasibility report will be completed.

Update on Fire Facility Project

According to City Engineer Rhein, the architect has developed three options for the project to develop a range of building options and related costs. Administrator Vahlsing suggested that a meeting could be held the week of September 21st or September 28th to talk about layouts and debt repayments. This meeting would be a work session that would include the Fire Facility Committee to set parameters for the project and help give direction to the architect.

LEGAL

Update on Fire Hall Site Purchase

According to Attorney Riggs, the title work for the property is completed, and he estimates the closing can be scheduled for the end of September. He stated that he is continuing to work with Engineer Rhein to clarify some language in the Phase I environmental assessment.

Master Subscriber Agreement for MN Court Data Services

Resolution 2015-12: Resolution Approving Verification of Authority Regarding MGA

Administrator Vahlsing told the Council that approval of this agreement would give prosecuting attorney David Jacobsen access to court records, and the jurisdiction has to provide approval. Motion by Barsness, second by Nielsen to approve Resolution 2015-12. Motion carried 5-0-0.

OLD BUSINESS

Update on Pool

Administrator Vahlsing that the pool has had two cycles of water clarity issues. At first, chemicals were used and this was successful for a time. The main pump was replaced today and the water is moving through at a higher rate. The pool should be reopened in a day or so.

Pool Painting

Administrator Vahlsing noted that the pump was replaced in August, and this seemed to have eliminated the water clarity issues. A sonar company was out last week to look for leaks in the pool and deck areas. Painting and sandblasting is planned for next spring.

NEW BUSINESS

Resolution 2015-13: A Resolution Adopting the 2016 Preliminary Budget and Levy

Administrator Vahlsing noted that the budget and levy information contained in the meeting packet is the same as was discussed at the work session, with the addition of figures for a 7% levy increase. According to him, further information on the budget will be available within two weeks. He stated that a higher increase in the 2016 levy can be used to help pay down future debt related to the Fire Hall. The final levy will be voted on in December. It can't be increased beyond what is approved at

this meeting but can be reduced before December.

Motion by Nielsen, second by Henke to approve Resolution 2015-13, setting the preliminary levy at a 7% increase from 2015. Motion carried 5-0-0.

Agriculture Land Lease

According to Administrator Vahlsing, the 10 acre lease currently in place will expire at the end of December. If the council wishes to continue to lease the land, the City will need to advertise and take quotes for a three year lease. Vahlsing also stated that the lease cannot include the extra land adjacent to the old equalization basin. Councilman Barsness noted that the 3-year term is good, and commented that the current tenant has done an excellent job of maintaining the property; i.e., mowing and tree removal. Barsness suggested that specific maintenance of the right-of-way area be included in the lease.

Motion by Engel, second by Nielsen to approve advertising for proposals for leasing the property. Motion carried 5-0-0.

OTHER BUSINESS

Schedule of Upcoming Meetings

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

COUNCIL AND STAFF GENERAL COMMENTS

Barsness noted the good turnout for Rose Fest and commented that the tent by the liquor store was a good idea. He extended his thanks for everyone who worked on the celebration.

Mayor Engel noted that the tractor pull has been re-scheduled.

Councilman Henke commented to keep our police officers in your thoughts in light of the recent tragedies of police officers being harmed.

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

Pam Blow, Administrative Assistant

Michael Engel, Mayor

Pursuant to due call and notice thereof, a Special City Council / Work Session Meeting was duly held in the City Hall conference room on the 29th day of September, 2015. The following members were present: Mayor Mike Engel, Council members, Fred Barsness, Richard Nielsen, John Mortensen, and Doug Henke. Also present: City Administrator Mark Vahlsing, City Engineer Joe Rhein, City Attorney John Riggs, Corey Brunton and John Nightingale, Brunton Architects, Fire Chief John Lee, George Eilertson, Northland Securities, Laurie Balata, USDA Rural Development, Todd Angelstad, and Bryan Haugen

Mayor Engel called the meeting to order at 5:30 p.m.

Resolution 2015-14: A Resolution Authorizing Removal of Contingencies Regarding the Purchase of a Portion of Foldcraft Co. Property for the Fire Hall Project

City Attorney Riggs provided an update on the status of the Foldcraft property purchase. All of the items including the survey phase one environmental and title works are completed. The resolution in the packet was required to remove contingencies from the purchase agreement prior to closing. He stated that the closing has been scheduled for October 1, 2015 at 11:00 a.m.

Motion by Nielsen, second by Henke to approve Resolution 2015-14. Motion carried 5-0-0.

Further Review of Building Design Layouts: Joe Rhein, City Engineer and Corey Brunton, Brunton Architects

Engineer Rhein described the process that had led to the development of the latest Fire Department facility plan layouts. He stated that the architects had completed two revised plans. He reviewed the costs associated with each proposed plan. Cost estimates for Plan A ranged from \$2,900,000 to \$3,652,000, depending on building material. Cost for Plan B ranged from \$2,200,000 to \$2,500,000. He also discussed a plan C that was approximately \$1,900,000. Councilman Barsness stated that the City would have a hard time selling a \$2,000,000 price tag to the taxpayers. Mayor Engel stated that the City would not be able to build a facility to meet the needs of the fire department for under \$2,000,000.

Architect Corey Brunton reviewed the two updated Fire Hall design alternatives. Option A (14,120 sf) represents the original layout that was discussed in September. Option B layout was approximately 12,000 s.f. In this proposed option costs were reduced by eliminating the wash bays and mezzanine.

Fire Hall Project Financing

George Eilertson of Northland Securities reviewed two project financing options. The first option is financing the project through the USDA Rural Development Community Facilities program. This program would offer up to a 40 year term. It would require a general obligation pledge from the City. He stated that this would be the preferred option to finance the fire hall project. He also discussed issuing Lease Revenue Bonds through the EDA. This type of financing was used to finance the ambulance building, and would have a 30 year term. The interest rates are generally 1% to 1-1/2% higher than G.O. bonds. Laurie Balata, from the USDA Rural Development office in Faribault, stated that a public hearing would be required and that interim construction financing would be needed.

Corey Brunton stated that if the City wants to move ahead with construction in 2016 that he would need to begin final project drawings soon.

Administrator Vahlsing stated that if public meetings were held on the project in November or December he would need some elevation drawings.

Motion by Engel, second by Mortenson to adjourn meeting at 7:00 p.m. Motion carried 5-0-0.

Mark R. Vahlsing, City Administrator

Michael Engel, Mayor

Pursuant to due call and notice thereof, a City Council Work Session was duly held in the City Council chambers at 5:35 p.m. on the 13nd day of October, 2015. The following members were present: Mayor Mike Engel, council members, Fred Barsness, John Mortensen, Doug Henke 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, and Wayne Erich.

Review 2016 Department Budgets

Police Department – Chief Lee Sjolander

City Administrator Vahlsing noted that the salary scales for full-time officers had been reviewed by the Personnel Committee. They had discussed increasing the pay scales to help with the retention of officers. The proposed budget reflects those salary adjustments, along with increases for the part-time police officers' hourly wages. Chief Sjolander commented that hopefully, staff will stay longer in Kenyon as a result of these increases. Administrator Vahlsing noted that all departments have a 15% increase for health insurance renewal. The Police Department would have an overall increase of \$13,000 to account for salary increases and liability increases.

Street Department – Steve Baalson, Superintendent

Administrator Vahlsing reviewed the proposed 2016 Street, Sewer, Park, and Storm Sewer budgets with the Council. Public Works Superintendent Baalson stated that he would like to purchase a portable welder. \$55,000 is to be transferred to the capital fund for maintenance and replacement of equipment. Administrator Vahlsing noted that repairing the leaks at the pool and the painting will come from the capital fund. Vahlsing also noted that the Gunderson House needs a roof on the garage, and that would also come from the capital fund.

Liquor Store – Matt Bartel, Manager

According to Muni Manager Bartel, the Restaurant Manager system used at the liquor store is not compatible with the processing of credit cards using the chip/pin requirement. Bartel noted that the liability for credit cards changed on October 1, 2015. There is an increase in the budget for support services and credit card fees. This increase is partly because more people are using credit/debit cards for purchases.

Fire Department/First Responders – Chief John Lee, Wayne Ehrich

Administrator Vahlsing stated that there is a slight decrease in the proposed budget, and it includes \$50,000 transfer to capital. The Township contracts are proposed to have a decrease based on the formula to gradually have an even split with the City.

Library - Michelle Otte, Director

According to Director Otte, the increases in the library budget are for salary and benefits and the automation fees paid to SELCO. Otte has met with SELCO to discuss the formula to allow for lower increases. These fees have increased quite a bit during the last few years. There are no major changes in the revenue budget for the library.

Other areas of the proposed 2015 budget

Audit Services

According to Administrator Vahlsing, the current audit services contract is valid through the 2015 audit. The consensus of the council was that new quotes should be obtained for the 2016 audit.

Comments

Councilman Barsness commented that the liquor store is doing well, and that the programs in the Library are well received.

Councilman Henke noted that the seal coat / patching should be done early in the year. Administrator Vahlsing said that we will try to identify areas to be included and get bids in late winter. Steve Baalson noted that bids are hard to get in the fall for spring projects because the price of oil varies.

Mayor Engel adjourned the meeting at 6:55 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 7:05 p.m. on the 13th day of October, 2015. The following members were present: Mayor Mike Engel, Council Members, Fred Barsness, Richard Nielsen, John Mortensen, and Doug Henke. Also present: Administrator Mark Vahlsing, Engineer Joe Rhein, Attorney Melissa Manderschied, and Administrative Assistant Pam Blow.

CITIZEN COMMENTS

Resident Chad Caron asked that the council consider letting residents have chickens. Administrator Vahlsing noted that this would be a general ordinance amendment, and not a rezoning for Mr. Caron's property. Mayor Engel commented that he would be in favor of this, and suggested setting criteria and possibly having a fee schedule. Councilman Mortensen noted that Zumbrota changed their ordinance not too long ago. Councilman Barsness commented that we would need to set specific guidelines so that any change would work for a number of years. Barsness would like to see this item put on the next work session agenda to be considered further.

ADOPT AGENDA

Addition: / New Business / D / Appointment of Wayne Medcraft to Historic Preservation Commission. (Subsequent items in New Business to be re-numbered E, F, and G.) Motion by Nielsen seconded by Henke to adopt the agenda as amended. Motion carried 5-0-0.

CONSENT AGENDA

Motion by Nielsen seconded by Mortensen to approve the Consent Agenda, which includes payment of check numbers 63638 through 63781; 2427E through 2442E and additional checks 63782 through 63797. Motion carried 5-0-0.

PRESENTATIONS/PUBLIC HEARINGS/RECOGNITIONS

Acknowledgement of Scott Swenhaugen's Service to City

Mayor Engel noted that Scott Swenhaugen served on the KMU Commission and the Library Board, and commented that he served with Scott on the KMU Commission. He was knowledgeable and a good person. Michelle Otte, Library Director noted that Scott joined the Library Board in January, 2015, and he was impactful. Director Otte commented that she knew Scott on a personal level and he was a good man and will be greatly missed. KMU Operations Superintendent Randy Eggert noted that Scott was a great guy who always looked out for Kenyon and he was always prepared. Administrator Vahlsing noted that the Goodhue County Economic Development Commission recently formally recognized Kenyon Ag (business owned by Scott and Dan Benson) as a business giving to their community.

Coalition of Greater Minnesota Cities (CGMC) Representative Carolyn Jackson

According to Ms. Jackson, the CGMC is a lobbying group that represents 85 cities, and they would like to see the City of Kenyon become a member again. Ms. Jackson gave details about some of the areas that have benefitted by their efforts during recent legislative sessions. Specifically, she mentioned the street aid that was funded this year.

ENGINEERING

Update on 1st Street Reconstruction Project

City Engineer Rhein noted the Feasibility Report will be ready by the end of October. A special meeting would be held to do an analysis on the report. Engineer Rhein stated that if the public hearing on the project is held soon, the project can move forward so that bids could be accepted early in 2016. Administrator Vahlsing noted that the scope of the project area can be changed at a later date if the council desires.

Resolution 2015-18: A Resolution Ordering Hearing on Improvement

Motion by Nielsen, seconded by Mortensen to approve Resolution 2015-18. Motion Carried 5-0-0

Update on Fire Facility Project

According to Engineer Rhein, the preparation of bidding documents is a four month process that begins with the schematic design. This design will provide more detail to present to the public and would keep the process of development of the facility on target. Having an earlier bid date could provide more competitive, less costly bids. The cost for the schematic design phase is \$50,000 (less \$6,800 already authorized). Administrator Vahlsing noted that the preliminary floor plans presented to date will aid in development of the schematic design. This is the next step in order to get plans and specifications. Engineer Rhein noted that this phase is necessary even if the council decides to wait to build the structure. Councilman Barsness commented about the proposed cost of the structure and the impact on taxpayers. Councilman Henke noted that we need to go ahead with the project to get the fire hall built.

Motion by Engel, second by Nielsen to authorize the preparation of the schematic design in an amount not to exceed \$43,200. Motion carried 5-0-0.

LEGAL

Cleaning Services Agreement – Municipal Liquor Store

Administrator Vahlsing reviewed the circumstances for the need to hire a new cleaning service. Only one proposal was received in response to the advertisement, and the price is less than the previous contractor. The proposal for the new cleaning service is owned by the wife of Liquor Store Manager Matt Bartel.

Motion by Barsness, seconded by Engel to approve the Cleaning Services Agreement with "Maid it Clean LLC." Motion carried 5-0-0.

Agriculture Land Lease for 2016 - 2018

Administrator Vahlsing noted that this is the same agreement as before, and it has been reviewed by Attorney Riggs.

Motion by Engel, second by Nielsen to approve the Lease agreement with Earl Fredrickson. Motion carried 5-0-0.

NEW BUSINESS**Resolution 2015-15: A Resolution Approving a Cooperative Snow Removal Agreement with the Minnesota Department of Transportation**

Motion by Nielsen, second by Henke to approve Resolution 2015-15. Motion carried 5-0-0.

Resolution 2015-17: A Resolution Calling Public Hearing on the Adoption of a Five-Year Capital Improvement Plan and the Issuance of General Obligation Bonds Thereunder

According to Attorney Melissa Manderschied, the bonding maximum is \$2.5 million as specified in the resolution. Motion by Nielsen, second by Barsness to approve Resolution 2015-17. Motion carried 5-0-0.

Appointment of Jerry Houglum to Public Utility Commission

Motion by Engel, second by Mortensen, to appoint Jerry Houglum to the KMU Commission, with the term expiring 01-17. Motion carried 5-0-0.

Appointment of Wayne Medcraft to Historic Preservation Commission

Motion by Engel, second by Nielsen, to appoint Wayne Medcraft to the HPC. Motion carried 5-0-0.

Approve DNR Grant for New Fire Truck Equipment

The grant, if approved, would be for \$5,000, requiring a fifty percent contribution from the City. The funds would be used to purchase hoses and nozzles for the new pumper. Motion by Nielsen, second by Henke to approve the grant. Motion carried 5-0-0.

Firemen's Relief Assn. Liquor and Dance Permit

Motion by Mortensen, second by Nielsen to approve the liquor and dance permit for the Relief Association's annual dance on November 28, 2015. Motion carried 5-0-0.

Municipal Liquor Store Outdoor Service Area

Motion by Engel, second by Mortensen, to approve the outdoor service area permit for the liquor store. Motion carried 5-0-0.

OTHER BUSINESS**Schedule of Upcoming Meetings**

Public Hearing – Issue Bonds: Tuesday, November 10th @ 6:00 p.m.

City Council Meeting: Tuesday, November 10th @ 7 p.m.

Township Fire Contract Meeting: Tuesday, December 1st @ 6:00 p.m.

Public Budget Meeting: Tuesday, December 1st @ 7:00 p.m.

COUNCIL AND STAFF GENERAL COMMENTS

John Mortensen commented that he was told by Chief Sjolander that the KPD is getting donations from all over because of what he put on the KPD Facebook page about someone needing help because of a medical condition. Mortensen also commented that it is really nice having the paving done on 6th and 7th Street.

Motion by Nielsen, second by Henke to adjourn the meeting at 8:25 p.m. Motion carried 5-0-0.

Pam Blow, Administrative Assistant

Michael Engel, Mayor

Pursuant to due call and notice thereof, a Public Hearing was duly held in the City Council chambers at on the 10th day of November, 2015. Mayor Engel called the hearing to order at 6:03 pm with the following members present: Mayor Mike Engel, Council Members, Fred Barsness, John Mortensen, and Doug Henke. Members Absent: Richard Nielsen. Also present: City Administrator Mark Vahlsing, Administrative Assistant Pam Blow, Fire Chief John Lee, and City Engineer Joe Rhein.

The purpose of the hearing was to receive input on a five-year capital improvement plan as part of the issuance requirements for the sale of general obligation bonds to finance construction of a proposed new fire hall. (In compliance with Minnesota Statutes, Section 475.521).

Administrator Vahlsing noted that the basis of the capital improvement is projected need, costs and debt. The maximum debt estimated for the proposed new fire hall is \$2.5 million. There will be a thirty-day comment period from the date of this hearing. Vahlsing anticipates there would be a public meeting regarding the proposed fire hall scheduled after the comment period; possibly in December or January.

Mayor Engel closed the public hearing at 6:15 p.m.

Pam Blow, Administrative Assistant

Michael Engel, Mayor

Pursuant to due call and notice thereof, a City Council Meeting was duly held in the City Council chambers at 7:00 p.m. on the 10th day of November, 2015. The following members were present: Mayor Mike Engel, Council Members, Fred Barsness, John Mortensen, and Doug Henke. Absent: Richard Nielsen. Also present: Administrator Mark Vahlsing, Engineer Joe Rhein, Attorney Scott Riggs, Police Chief Lee Sjolander, and Administrative Assistant Pam Blow.

CITIZEN COMMENTS

None

ADOPT AGENDA

Motion by Mortensen second by Barsness to adopt the agenda as published. Motion carried 4-0-0.

CONSENT AGENDA

Motion by Barsness second by Mortensen to approve the Consent Agenda, which includes payment of check numbers 63798 through 63932; 2443E through 2460E and additional checks 63933 through 63941. Motion carried 4-0-0.

PRESENTATIONS/PUBLIC HEARINGS/RECOGNITIONS

Presentation to Sherry Swenhaugen for Scott Swenhaugen's Service to City

Mayor Engel noted that Scott Swenhaugen served on the KMU Commission and the Library Board, and he presented Sherry Swenhaugen with clock as a token of the City's appreciation for Scott's service.

Public Hearing for 1st Street Improvement Project

Mayor Engel opened the public hearing at 7:06 p.m.

City Engineer Rhein reviewed the Feasibility Report including a review of estimated assessments, and project schedule for a possible 1st Street project in 2016. Engineer Rhein noted that the street was identified as needing reconstruction in the 2010 Pavement Management Plan. Issues regarding private sewers connected to 1st St. were identified as needing correction in the 2012 Wastewater Facility Plan. The Feasibility Report was ordered by the City and it contains the work that is recommended, the cost of the project and how it will be paid for.

Engineer Rhein explained that the proposed project area is 1st Street from Red Wing to Bullis Street. He also told the Council that the Feasibility Report details existing conditions for the street, sanitary sewer, water system and storm sewer. Proposed Improvements would include total street reconstruction, spot-replacement of sidewalk sections, and total replacement of curb/gutter. A new 8" sewer main including manholes would be installed and new connections would be installed for each home. Water system improvements will include the replacement of a hydrant, and a new stub at Forest Street. Some storm sewer lines and catch basins will also be replaced. All utility work would occur in the right-of-way area.

Engineer Rhein stated that trees in the project area will be preserved wherever possible. But some trees will need to be removed due to impacts of the street construction. He discussed the installation of an optional sidewalk extension to the parking lot at Depot Park. The sidewalk would run along the north side of 1st Street. The estimated cost of the sidewalk extension would be \$14,252 to build this sidewalk and 50% would be assessable to homeowners on both sides of that section of the street.

Engineer Rhein noted that the total project cost would be \$697,734 including the optional sidewalk. He also stated that under Minnesota Statutes; Chapter 429, the City can assign a portion of the costs of the project to benefitting property owners. The Assessment Policy adopted in 2010 was used as a guideline to determine the amount of project cost to assess to benefitting homeowners. Rhein estimated that

\$511,000 could be assessed. The assessments are based on frontage, using the formula contained in the Assessment Policy. Engineer Rhein distributed a preliminary assessment roll, noting that a public hearing for the assessments would be held after the project is completed. In order to comply with the general obligation bonding requirements, property owners must be assessed for at least twenty percent of the project cost. According to preliminary figures, the City will pay 75% of the project, and property owners will be assessed for 25%.

According to the proposed project improvement schedule, the Council would approve final project plans in January, 2016, accept bids in February, and award the contract in March. Construction could begin in May and be completed by August 1, 2016.

Property owner Doug Klatt asked who would be responsible for tree removal in the project area. Engineer Rhein stated that the cost of tree removal would be paid by the city during the project and is figured into the cost of construction.

Property owner Richard Westphal asked when his home's sewer connection would be made. Engineer Rhein stated the connection would be made when the sewer service is stubbed out to the property line. He also noted that the property owners would be contacted ahead of construction to determine if they need a new service line constructed.

According to Administrator Vahlsing due to expiring utility debt payments, the overall impact of this proposed project would be reduced.

Mayor Engel closed the public hearing at 8:17 p.m.

ENGINEERING

1st Street Reconstruction Project

Resolution 2015-21: A Resolution Receiving Feasibility Report and Ordering Improvement and Preparation of Plans

Motion by Barsness, second by Henke to approve Resolution 2015-21, with a bid alternate for the sidewalk extension. Motion carried 4-0-0.

Update on Fire Facility Project

According to Engineer Rhein, the architect and the Fire Facility Committee have two options for preliminary floor plans. Both plans are designed to house the equipment, with meeting rooms and offices. There could be a public meeting during the week of December 14th to allow comments. The architect's rendering has been done using precast concrete panels for the construction of the building.

NEW BUSINESS

Resolution 2015-19: A Resolution Adopting a Capital Improvement Plan and Providing Preliminary Approval for the Issuance of Bonds Thereunder

Motion by Mortensen, second by Henke to approve Resolution 2015-19. Motion carried 4-0-0.

Resolution 2015-20: A Resolution Adopting Assessment for Delinquent Utility Bills

Motion by Mortensen, second by Barsness to approve Resolution 2015-20. Motion carried 4-0-0.

Discuss Possible Sale of City Owned Parking Lot West of Ace Hardware Store

Administrator Vahlsing stated that he had been contacted by the owners of Kenyon Hardware about the parking lot west of the store. They are interested in purchasing the lot from the City. He asked the Council whether he should meet with the store owners to get more information. Councilman Barsness

noted that selling the property would put it back on the tax rolls. Attorney Riggs said that an appraisal is not required and there would be no bid process required to sell the land. Mayor Engel suggested Administrator Vahlsing meet with the owners and report back to the Council at the December meeting.

City Offices Close at Noon on December 24, 2015

Motion by Henke, second by Engel, to approve closure of City offices and the Public Library at noon on December 24, 2015. Motion carried 4-0-0.

Appointment of Donald Trombley to Library Board

Motion by Engel, second by Mortensen to approve the appointment. Motion carried 4-0-0.

OTHER BUSINESS

Schedule of Upcoming Meetings

Township Fire Contract Meeting: Tuesday, December 1st @ 6:00 p.m.

Public Budget Meeting: Tuesday, December 1st @ 7:00 p.m.

City Council Meeting: Tuesday, December 10th @ 7 p.m.

COUNCIL AND STAFF GENERAL COMMENTS

Doug Henke mentioned the Veterans' Day program tomorrow at 10 a.m. at the school to honor veterans. There will be refreshments at the VFW after the program.

John Mortensen noted that the Girl Scouts raked leaves in town on Saturday. He also thanked Engineer Rhein for the good job tonight.

Administrator Vahlsing thanked Chief Sjolander for establishing a fund for a kitten that needs medical attention for a broken jaw. He told the Council that an anonymous owner will provide up to \$1,000 in matching funds toward the kitten's medical costs.

Motion by Barsness, second by Henke to adjourn the meeting at 8:37 p.m. Motion carried 4-0-0.

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 3rd day of November, 2015. The following members were present: Mayor Mike Engel, Council members, Fred Barsness, Richard Nielsen, John Mortensen, and Doug Henke. Also present: City Administrator Mark Vahlsing, Attorney Scott Riggs, Public Works Superintendent Steve Baalson, Wayne Ehrich, City Engineer Joe Rhein, and Bryan Holtz from Bolton & Menk, and Police Chief Lee Sjolander.

Mayor Engel called the work session to order at 5:30 p.m.

Review of 1st Street Feasibility Study

Engineer Rhein reviewed a power-point presentation that he will be using for the November 10th public hearing on the proposed 1st St. project. The area under consideration for the proposed project would occur on 1st Street, from Red Wing Avenue to Bullis Street. Rhein mentioned that this project was called for in the 2010 Pavement Management Plan and the 2012 Wastewater Facility Plan. The project is recommended to be completed in the Pavement Management Plan. According to Engineer Rhein, the Feasibility Report prepares the preliminary design and costs for a project.

Existing Conditions that were reviewed in the draft Feasibility Study include the street, curb, sidewalk, sewer, water and storm sewer. Proposed Improvements for the above would be made, including total street reconstruction, spot-replacement of sidewalks with new ADA compliant sidewalks at intersections, total replacement of curb/gutter, and a new 8" sewer main including manholes. The sewer main would be installed down the center of the street and new PVC individual sewer connections stubbed for each home. A hydrant will need to be replaced at the intersection of Spring and 1st Streets, and a 6" water main stub will be placed at Forest Street to be used during future improvement of the water main on Forest Street. The storm sewer will be reconstructed where impacted by the sanitary sewer construction and a new catch basin will be constructed in the Forest and 1st Street intersection to facilitate ADA pedestrian ramps. All work will be in the right-of-way area, but property owners will need to allow access to construct the service line to their properties.

He stated that the trees that are in the improvement area will be preserved as it is practical. Some trees will need to be removed due to impacts from construction. Attorney Riggs commented that if the tree will be damaged, it is better to remove them during the construction process.

Engineer Rhein noted that consideration could be given to a potential sidewalk extension to the parking lot at Depot Park. The sidewalk would go along the north side of 1st Street. It is estimated that the cost would be \$14,250 to build this sidewalk, and fifty percent would be assessable to homeowners on both sides of that section of the street. The council can decide on whether to include this sidewalk extension in the project at the regular November council meeting next week.

He noted that the estimated cost of the entire three block project is \$697,734. If the project was divided into three sections the cost would increase to just under \$800,000. This would reflect an additional \$100,000 increase in costs. Councilman Mortensen commented that doing the whole project at one time makes the most fiscal sense.

Rhein told the Council that during the televising of sanitary sewers surrounding the 1st Street area, some additional issues were identified that will need to be corrected. An obstruction was found in a city sewer main near the hockey rink. The consensus of the Council was to complete these repairs outside of the 1st Street project.

Engineer Rhein recommended that any required sidewalk restoration or repairs should not be assessed to property owners, but be paid entirely by the City. The council agreed with his recommendation.

Engineer Rhein reviewed the breakdown of assessable costs based upon front frontage. Sewer mains are 30% assessable to property owners. Individual sewer services are completely assessed to benefiting properties. Based on the current Assessment Policy, the street reconstruction is 50% assessable to property owners. Engineer Rhein commented that a modification for the street portion of the project could be made to lower the original assessment amounts. Administrator Vahlsing noted that 20% of the project has to be assessed in order for the City is to issue General Obligation Bonds to finance the project. Attorney Riggs commented that street reconstruction costs can be difficult to assess. He would also recommend reducing assessments so they are sustainable. Engineer Rhein noted that the Assessment Policy is a guide and the council can deviate from it depending on the needs of the project. Administrator Vahlsing noted two

spreadsheets that were distributed that show assessment costs that were calculated by adjusting the street reconstruction costs. Financing for the project was also reviewed. After further discussion, the consensus of the council was to use 27% of the street cost for the assessment calculations.

Discuss Draft Chicken Ordinance

According to Administrator Vahlsing, the draft ordinance was developed to add language covering the keeping of chickens in residentially zoned areas to Section 900 of the City Code. Chief Sjolander noted that he can predict non-compliance issues if the ordinance was enacted. Councilman Barsness noted that he would not support allowing chickens in residentially zoned areas of the City. According to Attorney Riggs, the city code was amended in 1999 to not allow chickens in residential areas. Administrator Vahlsing noted that the Planning Commission reviewed the draft ordinance at their meeting and they are not in favor of changing the ordinance. No further action was taken on this item.

There being no further business, the meeting was adjourned at 8:45 p.m.

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 Council chambers at 6:02 p.m. on the 1st day of December, 2015. The following members were present: Mayor Mike Engel; Council Members, Fred Barsness, Doug Henke, and John Mortenson
Absent: Richard Nielsen. Also present: City Administrator Mark Vahlsing, City Engineer Joe Rhein, Corey Brunton, John Nightengale and Keith Cook. Township members: Craig Hanson, Matthew Voxland, Joyce Anderson, Bernie Overby, Steve Johnson, Arnold Petricka, Jim Donkers, Richard Priebe, Barb Kvittem, and Lorin Pohlman.

2016 FIRE CONTRACT MEETING WITH TOWNSHIPS

Administrator Vahlsing reviewed the revised contract format. This contract was based on a model from the Minnesota Township Association, and League of Minnesota Cities. The term of the contract was three years. The revised funding formula was part of the new contract format. The new contract payment formulas were being phased in over 4 years ending on 2018. After the phase-in, the City and townships would each pay 50% of the annual operating costs. The townships would divide the 50% based on the number of sections served by the Kenyon FD. Vahlsing also reviewed a section of the new contract concerning capital funds. Craig Hanson of Holden Township asked for more information on the Capital Fund balances.

Arnie Petricka of Richland Township asked about the cost and lease structure of the purchase of the new fire truck. Administrator Vahlsing explained that the new fire truck had been purchased with a 7 year lease.

Administrator Vahlsing distributed and reviewed the exterior and interior layout of the proposed fire hall. He explained that the engineers preliminary cost estimates were in the area of \$2,500,000. City Engineer Rhein stated that the City was applying for financing through USDA Rural Development. USDA offered up to 39 year financing for the project. He stated that the first part of the application was almost completed. It would be submitted next week. Lorin Pohlman of Cherry Grove Township asked what would happen if the City was not approved for USDA financing. Administrator Vahlsing stated that if USDA financing was not approved other bonding options would be available.

Bernie Overby asked what the annual payments would be for the fire truck lease.

Loran Pohlman asked if engineered steel had been considered for the fire building, and if so what were the estimated costs if the Fire Hall was built using that material.

City Administrator Vahlsing stated that he and Fire Chief John Lee would be meeting with each township to discuss the project and seek financial contributions.

Bernie Overby thanked Administrator Vahlsing for his professional approach and said it has greatly improved communications between townships and the City of Kenyon.

PUBLIC BUDGET AND LEVY DISCUSSION

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

Administrator Vahlsing stated that only a few adjustments and corrections had been made to the proposed 2016 budget since September. The maximum levy increase approved by the Council in September was 7%.

Keith Cook asked the Council why the levy needed to be increased by 7%. He stated that residents on fixed incomes would have a difficult time paying increased property taxes. Administrator Vahlsing stated that the increase would be targeted to help pay the annual debt related to the Fire Facility project.

Councilmen Hanke stated that there may be additional tax increase in the range of 5-7% over the next few years related to that project.

Resolution 2015-23 Approving lease with option to purchase Fire Truck

Administrator Vahlsing stated that the lease needed to be approved in order for the City to complete the lease and purchase of the Fire Truck.

Motion by Mortenson, second by Hanke to approve Resolution 2015-23. Motion Carried 4-0-0

Motion by Engel, second Mortensen to adjourn the meeting at 7:30 pm. Motion Carried 4-0-0