

AGENDA
CITY COUNCIL REGULAR SESSION
January 10, 2023
7:00 PM

I. CALL TO ORDER AND ROLL CALL

II. CITIZEN COMMENTS

III. ADOPT AGENDA

III.A **Adopt Agenda**
[Summary Report](#)
[1-10-23 Agenda Council Meeting.docx](#)

IV. CONSENT AGENDA

All items listed with asterisks () are considered routine and non-controversial by the Council and will be approved by one motion. There will be not separate discussion of these items unless a Council member, City staff or citizen so requests, in which case the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

V. APPROVAL OF MINUTES and APPOINTMENTS

V.A Minutes
[Summary Report](#)
[12-13-22 City Council Mtg.doc](#)

**VI. PRESENTATIONS/PUBLIC HEARINGS
RECOGNITIONS/PROCLAMATIONS**

VII. ENGINEERING

VII.A **General Project update**
[Summary Report](#)
[01.1_General Project Update.pdf](#)

VIII. LEGAL

VIII.A **Nuisance Property Violation - 1 Langford Av. update**
[Summary Report](#)

VIII.B **2023 Appointments and Designations**
[Summary Report](#)

VIII.C **Resolution 2023-01: Establishing License Fees and Compensation**
[Summary Report](#)
[Resolution 2023-01 Establish License Fees and Compensation.docx](#)

VIII.D **Kennedy & Graven 2023 Rates for Legal Services**
[Summary Report](#)

IX. FINANCIAL

X. OLD BUSINESS

XI. NEW BUSINESS

XI.A **Resolution 2023-02: A Resolution Authorizing Acceptance of 2022 Donations**
[Summary Report](#)
[Resolution 2023-02 Authorizing Acceptance of 2022 Donations.docx](#)

XI.B **Set Council work session (January 23 or 24th at 6:00 pm) to review**
Infrastructure Management Plan Financial Impact Summary.
George Eilertson-Northland Securities

[Summary Report](#)

XI.C **Proposed 8% Increase to Sanitary Sewer Rates**
[Summary Report](#)
[DOC010623.pdf](#)

XI.D **Change City Signatories at Security State Bank of Kenyon**
[Summary Report](#)

XII. F.Y.I. - Department Updates

XII.A FYI
[Summary Report](#)
[1-10-23 FYI.doc](#)

XIII. COUNCIL AND STAFF GENERAL COMMENTS

XIV. ADJOURNMENT

Agenda Item Summary

CITY COUNCIL AGENDA ITEM REPORT

DATE: January 10, 2023

SUBMITTED BY: Holli Gudknecht, Administration

ITEM TYPE: Agenda

AGENDA SECTION: **ADOPT AGENDA**

SUBJECT: **Adopt Agenda**

SUGGESTED ACTION: See January agenda attached below.

ATTACHMENTS:
[1-10-23 Agenda Council Meeting.docx](#)

AGENDA
CITY COUNCIL MEETING
January 10, 2023

*The Oath of Office will be administered by the City Administrator for
City Council Members Kim Helgeson and Lee Sjolander.*

Recite Pledge of Allegiance

7:00. I. CALL TO ORDER AND ROLL CALL

II. CITIZEN COMMENTS

III. ADOPT AGENDA

IV. CONSENT AGENDA

** All items listed with asterisks (**) are considered routine and non-controversial by the Council and will be approved by one motion. There will be no separate discussion of these items unless a Council member, City staff or citizen so requests, in which case the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.

V. **APPROVAL OF MINUTES and APPOINTMENTS

A. City Council Meeting Minutes of December 13, 2022

**VI. PRESENTATIONS/PUBLIC HEARINGS
RECOGNITIONS/PROCLAMATIONS**

VII. ENGINEERING

A. General Project Update

1. Pearl Creek Sanitary Sewer Improvements
2. 2023 Street Improvements

VIII. LEGAL

A. Nuisance Property Violation - 1 Langford Av. update

B. 2023 Appointments and Designations

1. Economic Development Authority (EDA) – 4 Year Term
 - a. Chris Mallery
 - b. Doug Henke (Council)
 - c. Mary Bailey (Council)
2. Library Board – 3 Year Term
 - a. Kevin Anderson
 - b. Heidi Haugen
3. Planning Commission – 2 Year Term
 - a. Jim Malloy
 - b. Doug Henke (Council)
4. Public Utility Commission – 3 Year Term
 - a. Jerry Houglum
5. Historic Preservation Commission (HPC) – 3 Year Term

- a. Lee Sjolander
- 6. Park & Recreation
 - a. Elizabeth Engel
 - b. Kim Helgeson (Council)
- 7. Appointments
 - a. Acting Mayor – Molly Ryan
 - b. Legal Newspaper – Kenyon Leader
 - c. Depository – Security State Bank
 - d. City Attorney – Scott Riggs, Kennedy & Graven Chartered
 - e. Prosecuting Attorney – David Jacobsen, Jacobsen Law Firm
 - f. City Engineer – Derek Olinger, Bolton & Menk
 - g. City Auditor – Abdo Eich and Meyers
 - h. Financial Consultant – George Eilertson - Northland Securities
 - i. Investments – As Allowed Per Minnesota Statutes
 - j. Deputy Clerk – Holli Gudknecht
 - k. Weed Inspector – Doug Henke
 - l. Audit Committee – Doug Henke, Molly Ryan, Kathy Flikke, Mark Vahlsing
 - m. Personnel Committee – Doug Henke, Molly Ryan Mark Vahlsing
 - n. Liquor Committee – Doug Henke, Lee Sjolander, Mark Vahlsing
 - o. Kenyon Fire Relief Association – Doug Henke and Mark Vahlsing
- C. Resolution 2023-01: Establishing License Fees and Compensation
- D. Annual Licenses
 - 1. Flom Disposal Inc. (Residential/Commercial, Temporary roll-off dumpster)
 - 2. Flom Disposal Inc. (Residential/Commercial Recycling)
 - 3. Waste Management (Commercial, Temporary roll-off dumpster)
 - 4. Waste Management (Commercial Recycling)
 - 5. Veit (Temporary roll-off dumpster)
 - 6. Goodhue County Public Works (Recycling)
 - 7. Kenyon Ace Hardware (sidewalk)
 - 8. Kenyon VFW Post 141(Sidewalk)
 - 9. Mary’s Rustic Rose (Sidewalk)
 - 10. Mark Lenway (Sidewalk)
 - 11. D & S Banner, Sign & Print (Sidewalk)
 - 12. Taco Express (Sidewalk)
 - 13. Kenyon VFW Post 141(Dance)
 - 14. Che Che’s Lunchera (Mobile Merchant)
 - 15. Taco Express (Mobile Merchant)
- E. Kennedy & Graven 2023 Rates for Legal Services

IX. FINANCIAL

- **A. December 2022 Treasurer’s Report
- **B. Payment of Claims

X. OLD BUSINESS

A. *None*

XI. NEW BUSINESS

- A. Resolution 2023-02: A Resolution Authorizing Acceptance of 2022 Donations
- B. Set Council Work Session (January 25 or 26th at 6:00 pm) to Review Infrastructure Management Plan Financial Impacts, George Eilertson-Northland Securities
- C. Proposed 8% Increase to Sanitary Sewer Rates

D. Change City Signatories at Security State Bank of Kenyon

XII. OTHER BUSINESS

A. Schedule of Upcoming Meetings

1. KMU Meeting: Tuesday, January 17th @ 4:00 p.m.
2. EDA Annual Meeting: Tuesday, January 31st @ 9 a.m. at City Hall
3. City Council Meeting: Tuesday, February 14th @ 7 p.m.

XIII. COUNCIL AND STAFF GENERAL COMMENTS

XIV. ADJOURNMENT

Agenda Item Summary

CITY COUNCIL AGENDA ITEM REPORT

DATE: January 10, 2023

SUBMITTED BY: Holli Gudknecht, Administration

ITEM TYPE: Minutes

AGENDA SECTION: **APPROVAL OF MINUTES and APPOINTMENTS**

SUBJECT: Minutes

SUGGESTED ACTION:

ATTACHMENTS:
[12-13-22 City Council Mtg.doc](#)

Pursuant to due call and notice thereof, a City Council Meeting was duly held in the City Council chambers at 5:30 p.m. on the 13th day of December 2022. The meeting was called to order by Mayor Henke. The following members were present: Mayor Doug Henke, Council Members Mary Bailey, Molly Ryan, and Dan Rehtzigel

Absent: Kim Helgeson

Also, present: Administrator Mark Vahlsing, Engineer Derek Olinger, Attorney Scott Riggs, Administrative Assistant Holli Gudknecht, Police Officer Brian Homeier, Finance Clerk Kathy Flikke, Public Works Supervisor Wayne Ehrich, KMU Supervisor Randy Eggert, Linda Bean, Jerry and Diane Barrett

The meeting opened with the Pledge of Allegiance.

CITIZEN COMMENT

ADOPT AGENDA

Motion by Rehtzigel second by Ryan to approve the agenda.

Motion carried 4-0-0.

CONSENT AGENDA

Motion by Rehtzigel, second by Bailey to approve the Consent Agenda, which includes payment of check numbers 74311 through 74404; 4308E through 4354E.

Motion carried 4-0-0.

PRESENTATIONS/PUBLIC HEARINGS/RECOGNITIONS/PROLAMATIONS

ENGINEERING

Pearl Creek Sanitary Sewer Improvements

City Engineer Olinger stated that the survey work for the Pearl Creek Sanitary Sewer improvements has been completed. Construction limits will be finalized in the next month, easement limits will be determined, and affected property owners notified.

2023 Street Improvements Final Design Proposal

City Engineer Olinger presented a proposal containing the engineering scope and fee for the final design and preparation of bid documents for the 2023 street improvements. The estimated fees are \$54,236 for this work which will be completed this winter to allow for a spring bid and summer 2023 construction.

Motion by Bailey second by Ryan to approve Bolton & Menk's final design proposal for the 2023 street improvement project in the amount of \$54,236. Motion carried 4-0-0.

LEGAL

Nuisance Property Violation – 1 Langford Avenue Update

Attorney Riggs updated the Council on the 1 Langford Avenue cleanup. Riggs stated that he has had conversations with their attorneys, but the owner is still resisting with little progress happening. The police department was instructed to write tickets for expired vehicles.

OLD BUSINESS

Resolution 2022-24: Adopting the 2023 Budget and Establishing the Tax Levy for Payable 2023

Administrator Vahlsing stated that the Truth in Taxation meeting was held on December 6. No public comments were received at the meeting. The final budget shows a maximum proposed levy increase of 6.8% for 2023.

Motion by Rechtzigel seconded by Bailey to adopt Resolution 2022-24 adopting the 2023 budget and establishing the tax levy of \$1,183,301 payable in 2023. Motion carried 4-0-0.

NEW BUSINESS

Resolution 2022-25: A Resolution Committing Capital Fund Balances

Administrator Vahlsing stated that the general accounting standard (GASB 54) requires all public entities to set year end Capital fund balances before the end of the current year contingent on audited final numbers. The final year-end capital fund amounts will not be known until the 2022 audit is completed.

Motion by Ryan seconded by Bailey to adopt Resolution 2022-25 committing capital fund balances. Motion carried 4-0-0.

Approve Transfer of Fire Department Year End Remaining Funds to Capital Fund

Administrator Vahlsing stated that council approval is needed to move the year end Fire Department budget balance to the capital fund. The actual transfer amount will be determined by the auditors as part of the 2022 audit.

Motion by Bailey seconded by Henke to approve the transfer of fire department year end remaining funds to capital funds. Motion carried 4-0-0.

Approve Transfer of Street Maintenance Year End Remaining Funds to Capital Fund

Administrator Vahlsing stated that council approval is needed to move the year end Street Maintenance Department budget balance to the capital fund. The actual transfer amount will be determined by the auditors as part of the 2022 audit.

Motion by Ryan seconded by Bailey to approve the transfer of public works year end remaining funds, including street maintenance, pool, and parks, to capital funds. Motion carried 4-0-0.

Approve Transfer of Excess Funds from the Library Book Budget to Capital Fund

Administrator Vahlsing stated that council approval is needed to move excess funds from the library book budget to the capital fund. The actual transfer amount will be determined by the auditors as part of the 2022 audit.

Motion by Henke seconded by Rechtzigel to approve the transfer of excess library book funds to capital funds. Motion carried 4-0-0.

2023 Tobacco License Renewals

Kenyon Market

River Country Co-Op (Speedway)

Kenyon Municipal Liquor Store

Motion by Rechtzigel seconded by Ryan to approve to approve the 2023 tobacco license renewals.

Motion carried 4-0-0.

KMU Commission Wage Increase

Mayor Henke stated that the KMU Commission asked about the possibility of a raise in their yearly wage. It has been many years since the KMU Commissioners have had a raise. They are currently paid \$1,200 per year.

Motion by Rechtzigel seconded by Bailey to adopt a wage increase of \$200 per year starting in 2023 for the KMU Commissioners. Motion carried 4-0-0.

Police Department – Approval to lease a New Printer/Scanner/Fax Machine

Administrator Vahlsing stated that the Police Department requested approval to lease a Cannon printer/copier/fax machine. The lowest of three quotes was received from Loffler with a lease price of \$43.63 a month. The term of the lease would be 60 months.

Motion by Ryan second by Henke to approve the lease from Loffler for a Cannon printer/copier/fax machine at a price of \$43.63 per month. Motion carried 4-0-0.

Holiday Office Closings

Administrator Vahlsing requested approval for City Offices/Library to close on Friday, December 23 at noon and the library to be closed on Saturday, December 24.

Motion by Bailey seconded by Ryan to close the City Office and Library at noon on Friday, December 23 and close the library on Saturday, December 24.

Motion carried 4-0-0.

Schedule of Upcoming Meetings

KMU Meeting: Tuesday, December 20 @ 4:00 p.m.

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

COUNCIL AND STAFF GENERAL COMMENTS

Administrator Vahlsing thanked everyone involved with Christmas in Kenyon and thanked Dan Rechtzigel for his time on the Council.

Engineer Olinger thanked Dan Rechtzigel for serving on the council and stated he had great respect for his approach to projects.

Attorney Riggs enjoyed working with Dan and all the council members. He wished everyone happy holidays.

Council members Bailey and Ryan thanked Dan for his time on the council and his help in answering all their questions.

Mayor Henke wished everyone a merry Christmas and happy new year. He thought Christmas in Kenyon and Rose Fest both went well this year. He thanked Dan for the input and expertise that he brought to the council.

Councilman Rechtzigel stated that he had enjoyed working with everyone.

Randy Eggert stated he is looking at grants and a spot in town, possibly in the parking lot by the generating plant, for a future EB charging station.

Motion by Ryan second by Bailey to adjourn the meeting at 6:16 p.m.

Motion carried 4-0-0.

Agenda Item Summary

CITY COUNCIL AGENDA ITEM REPORT

DATE: January 10, 2023

SUBMITTED BY: Holli Gudknecht, Engineering

ITEM TYPE: Engineering

AGENDA SECTION: **ENGINEERING**

SUBJECT: **General Project update**

SUGGESTED ACTION: The City Engineer will provide an update on the Pearl Creek Sewer Main replacement and the 2023 Street improvement projects. See attached memo below.

ATTACHMENTS:

[01.1_General Project Update.pdf](#)

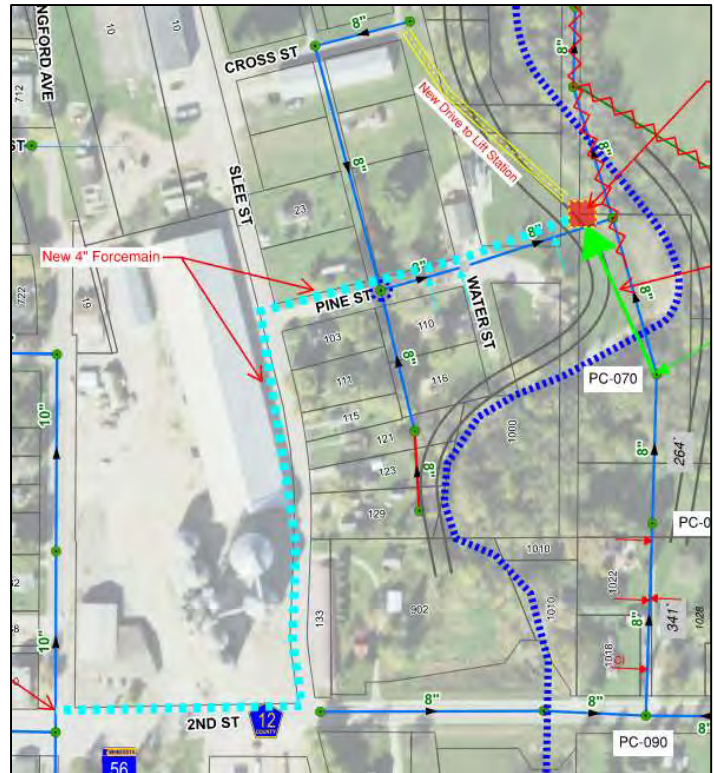
General Project Update

Pearl Creek Sanitary Sewer Improvements

Construction plans will be about 50% complete in the coming week. There will likely be a minor route change for the new forcemain; we'll have additional details on this at a later meeting. Construction and anticipated working limits are now understood. In the coming month, we'll be in touch with property owners to start initial conversations about easements needed.

Requested Action:

None – for information only.

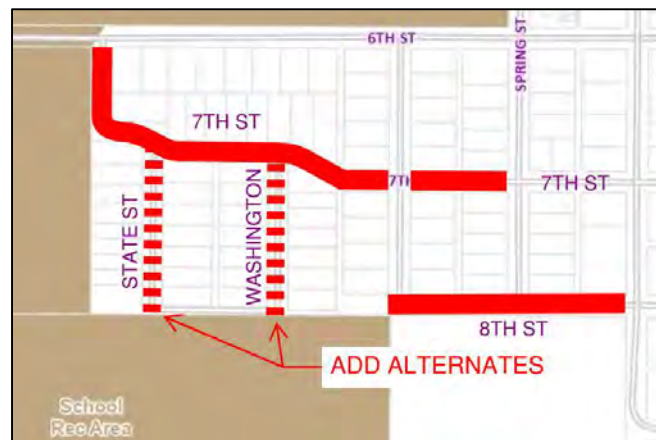
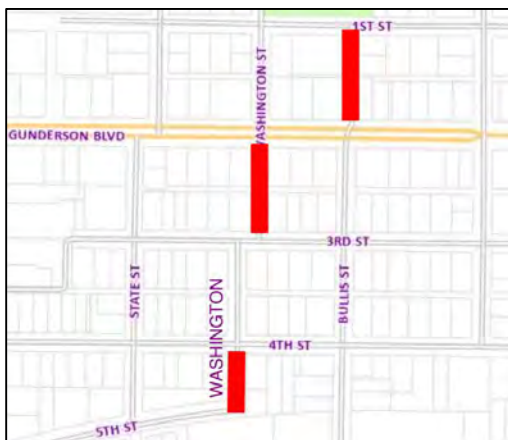


2023 Street Improvements

Aerial imagery used in design was collected earlier this year. Design work for this project will begin in once the sewer project design is nearing completion (late February/early march). Until this time, progress will be minimal.

Requested Action:

None – for information only.



Agenda Item Summary

CITY COUNCIL AGENDA ITEM REPORT

DATE: January 10, 2023

SUBMITTED BY: Holli Gudknecht, Legal

ITEM TYPE: Legal

AGENDA SECTION: **LEGAL**

SUBJECT: **Nuisance Property Violation - 1 Langford Av. update**

SUGGESTED ACTION: The City Attorney will provide an update.

ATTACHMENTS:

Agenda Item Summary

CITY COUNCIL AGENDA ITEM REPORT

DATE: January 10, 2023

SUBMITTED BY: Holli Gudknecht, Legal

ITEM TYPE: Legal

AGENDA SECTION: **LEGAL**

SUBJECT: **2023 Appointments and Designations**

SUGGESTED ACTION:

1. Economic Development Authority (EDA) – 4 Year Term
 1. Chris Mallery
 2. Doug Henke (Council)
 3. Mary Bailey (Council)
2. Library Board – 3 Year Term
 1. Kevin Anderson
 2. Heidi Haugen
3. Planning Commission – 2 Year Term
 1. Jim Malloy
 2. Doug Henke (Council)
4. Public Utility Commission – 3 Year Term
 1. Jerry Houghlum
5. Historic Preservation Commission (HPC) – 3 Year Term
 1. Lee Sjolander
6. Park & Recreation
 1. Elizabeth Engel
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7. Appointments
 1. Acting Mayor – Molly Ryan
 2. Legal Newspaper – Kenyon Leader
 3. Depository – Security State Bank
 4. City Attorney – Scott Riggs, Kennedy & Graven Chartered
 5. Prosecuting Attorney – David Jacobsen, Jacobsen Law Firm
 6. City Engineer – Derek Olinger, Bolton & Menk
 7. City Auditor – Abdo Eich and Meyers
 8. Financial Consultant – George Eilertson - Northland Securities
 9. Investments – As Allowed Per Minnesota Statutes
 10. Deputy Clerk – Holli Gudknecht
 11. Weed Inspector – Doug Henke

12. Audit Committee –Doug Henke, Molly Ryan, Kathy Flikke, Mark Vahlsing
13. Personnel Committee – Doug Henke, Molly Ryan, Mark Vahlsing
14. Liquor Committee – Doug Henke, Lee Sjolander, Mark Vahlsing
15. Kenyon Fire Relief Association – Doug Henke and Mark Vahlsing **MOTION NEEDED**

ATTACHMENTS:

Agenda Item Summary

CITY COUNCIL AGENDA ITEM REPORT

DATE: January 10, 2023

SUBMITTED BY: Holli Gudknecht, Legal

ITEM TYPE: Legal

AGENDA SECTION: **LEGAL**

SUBJECT: **Resolution 2023-01: Establishing License Fees and Compensation**

SUGGESTED ACTION: See attached resolution below.
MOTION NEEDED

ATTACHMENTS:
[Resolution 2023-01 Establish License Fees and Compensation.docx](#)

RESOLUTION 2023-01

A RESOLUTION TO ESTABLISH LICENSE FEES AND COMPENSATION

WHEREAS, Section 1000.03 of the Kenyon City Code provides that license fees for licenses and compensation not specifically set by the Code, shall be fixed and determined by resolution of the City Council.

NOW, THEREFORE BE IT RESOLVED, that the following license fees and compensation shall be effective on or after January 1, 2023.

<u>License</u>	<u>Fee</u>
Tobacco	\$60.00
Liquor On-Sale	\$1,000.00
Liquor On-Sale Sunday	\$200.00
On-Sale 3.2 Beer	\$500.00
Wine – On-Sale	\$500.00
Special On-Sale 3.2 Beer (Temporary)	\$25.00/day
Off-Sale 3.2 Beer	\$100.00
Club On-Sale	\$300.00
Liquor License Training Verification Fee	\$100.00
Caterer’s Permit (Special Event Fee)	\$250.00
Dance	\$25.00
Garbage	\$100.00
Recycling	\$100.00
Peddlers, Canvassers, Transient Merchants	\$125.00 Investigation \$125.00 Daily \$500.00 Annual
Mobile Merchant	\$125.00 Initial Application \$75.00 Annual
Sidewalk Obstruction	\$10.00 License \$20.00 Inspection
Golf Cart Registration	\$30.00
Golf Cart Annual Renewal	\$10.00
Rental Unit	\$30.00 Every 3 Years \$10.00 Per - Additional Unit Fee/Not to Exceed \$100

Animal Control

	<u>Fee</u>
Cat/Dog License, Spayed/Neutered	\$5.00
Cat/Dog License, Not Spayed/Neutered	\$10.00
Penalty after May 1	\$2.00
Duplicate License	\$1.00

Public Safety

	<u>Fee</u>
Police or Fire Report	\$25.00
Disorderly Properties Service Call	\$150.00
**Fire Call	\$1,000.00
**Extraordinary Time / Equipment	See Attachment B
Fire Dept. / First Responder Repeated Non-Fire or Non- Medical Calls (More than 3 calls in 12 months)	\$100.00

Planning and Zoning

Conditional Use Permit	\$150.00
Rezoning	\$150.00
Variance	\$150.00
Parcel Split or Lot Combination	\$250.00 (plus Recording Fees)
Street Excavation and Right-of-Way Permit	\$200.00
Excavation Permit per lineal foot	\$.30 / lineal ft.
Obstruction Permit (roll-off, dumpster)	\$25 per day over 8 hrs.
Demolition Permit	\$30.00 Residential \$60.00 Commercial
Sign Permit	\$30.00
Moving Permit	\$50.00
Burning Permit	\$20.00
Building Permit	Per U.B.C.

General Government Charges

Comprehensive Plan	\$75.00/Book
City Code	\$150.00/Book
Downtown Sidewalk Snow Removal	\$.05/Lineal Foot
Bad Check Charge	\$35.00
Copies	\$.25/Page
Notary	\$1.00
Video Copy	\$25.00
Video Tape	\$15.00
Fax Use	Incoming: \$.50/Page Outgoing: \$1.00/ 1 st Page, \$.25 subsequent pages
Special Council Meeting or Planning Committee Meeting on behalf of one individual	\$500.00

General Government Compensation

Mileage	Fee IRS Rate
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Park and Recreation - Depot Park

Deposit	Fee \$50.00
Monday through Friday Rent	\$40.00
Saturday & Sunday Rent	\$50.00

Utility Costs

Sanitary Sewer	Fee See Attachment A
Storm Sewer Maintenance	See Attachment A
Storm Sewer Utility	See Attachment A

Adopted by the City Council of the City of Kenyon on this 10th day of January, 2023.

ATTEST:

Mark Vahlsing, City Administrator

Molly Ryan, Acting Mayor

ATTACHMENT A

SANITARY SEWER		<i>(effective April 2022 billing)</i>
Residential and commercial sanitary sewer rates		
Sewer per M		\$6.10
Base Rate		
1" service line or less		\$ 21.70 per month
1.5" service line		\$ 69.50 per month
2" service line		\$ 104.00 per month
3" service line or less		\$ 185.00 per month
Sewer Connection Fee		\$844
for new homes <i>(effective 1/1/07)</i>		

STORM SEWER		
Residential		\$ 7.28 per month
Other land uses		Determined by REF Schedule

STORM SEWER MAINTENANCE FEE		Approved 1-14-20 (used to pay for maintenance of storm sewer mains, outlets & culverts)
Residential	\$4.03 per parcel per month	
Non- Residential	\$8.05 per parcel per month	
Multi-Family Res.	\$2.01 multiplied by units	

ATTACHMENT B

FIRE DEPARTMENT EXTRA FEES/CHARGES

<u>Equipment</u>	<u>Fee per hour</u>
Engine	\$170
Tanker	\$160
Grass Rig/Mini Pumper/Equip.	\$120

Supplies: (All supplies that are incurred will be billed out at the cost incurred)

Class A Foam	\$150 per pail
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Agenda Item Summary

CITY COUNCIL AGENDA ITEM REPORT

DATE: January 10, 2023

SUBMITTED BY: Holli Gudknecht, Legal

ITEM TYPE: Legal

AGENDA SECTION: **LEGAL**

SUBJECT: **Kennedy & Graven 2023 Rates for Legal Services**

SUGGESTED ACTION: Kennedy & Graven is proposing an increase to 2023 rates for legal services:
\$188.00 per hour (\$180 in 2022) for general civil and prosecution matters,
\$221.50 per hour (\$212 in 2022) for litigation, general city development projects, real estate, cable and telecommunication related matters, and employment matters,
\$265.00 per hour (\$251 in 2022) for pass through matters including developer and project costs which the city is to be reimbursed.
See attached letter from City Attorney below.
MOTION NEEDED

ATTACHMENTS:

[City_of_Kenyon_2023_Legal_Rate_Letter.pdf](#)



Offices in Fifth Street Towers
150 South Fifth Street, Suite 700
Minneapolis Minneapolis MN 55402-1299
Saint Paul (612) 337-9300 telephone
(612) 337-9310 fax
St. Cloud <http://www.kennedy-graven.com>
Affirmative Action, Equal Opportunity Employer

SCOTT J. RIGGS
Attorney at Law
Direct Dial (612) 337-9260
email: sriggs@kennedy-graven.com

December 23, 2022

VIA EMAIL

City of Kenyon City Council
c/o Mark Vahlsing
City Administrator
City of Kenyon
709 Second Street
Kenyon, MN 55946

RE: 2023 Rates for Legal Services

Dear Honorable Mayor and Council Members:

I am writing to thank you for allowing Kennedy & Graven, Chartered the opportunity to serve as legal counsel for the City of Kenyon and in reference to proposed rates for legal services for the upcoming year.

For 2023, I propose that legal rates for the City of Kenyon would be as follows: \$188.00 per hour for general civil and prosecution matters, \$221.50 per hour for litigation, general city development projects, real estate, cable and telecommunication related matters, and employment matters, and \$265.00 per hour for reimbursable/developer pass through matters (e.g., projects for which the City is to be reimbursed for legal costs by a developer). Rates for bond work would be charged in accordance with our regular governmental rates for this type of work. These are the same rates that I will be generally charging in 2023 to other clients that I serve as the city attorney.

I have thoroughly enjoyed both being involved in the growth and development of the City and working with the city council and staff members. Thank you once again for allowing Kennedy & Graven, Chartered to continue to serve the City as legal counsel.

Sincerely,

KENNEDY & GRAVEN, CHARTERED

A handwritten signature in blue ink that reads "Scott J. Riggs". The signature is fluid and cursive, with the first name being the most prominent.

Scott J. Riggs
Kenyon City Attorney

SJR:jms

Agenda Item Summary

CITY COUNCIL AGENDA ITEM REPORT

DATE: January 10, 2023

SUBMITTED BY: Holli Gudknecht, Finance

ITEM TYPE: New Business

AGENDA SECTION: **NEW BUSINESS**

SUBJECT: **Resolution 2023-02: A Resolution Authorizing Acceptance of 2022 Donations**

SUGGESTED ACTION: The Council is required to adopt a resolution annually accepting donations. See resolution attached below.
MOTION NEEDED

ATTACHMENTS:
[Resolution 2023-02 Authorizing Acceptance of 2022 Donations.docx](#)

RESOLUTION 2023-02

**CITY OF KENYON
COUNTY OF GOODHUE
STATE OF MINNESOTA**

A RESOLUTION AUTHORIZING ACCEPTANCE OF 2022 DONATIONS

WHEREAS, the City of Kenyon received various donations in the amount of \$23,281.24 in 2022; and

NOW THEREFORE, BE IT RESOLVED, that the City of Kenyon authorizes the acceptance of 2022 donations in the amount of \$23,281.24.

Adopted by the Kenyon City Council on this 10th day of January 2023.

Molly Ryan
Acting Mayor

ATTEST:

Mark R. Vahlsing
City Administrator

Agenda Item Summary

CITY COUNCIL AGENDA ITEM REPORT

DATE: January 10, 2023

SUBMITTED BY: Holli Gudknecht, Administration

ITEM TYPE: New Business

AGENDA SECTION: NEW BUSINESS

SUBJECT: Set Council work session (January 23 or 24th at 6:00 pm) to review Infrastructure Management Plan Financial Impact Summary.
George Eilertson-Northland Securities

SUGGESTED ACTION: George Eilertson and the City Engineer will review the estimated financial impacts and payment options for the 10-year Infrastructure management plan. We would like to schedule a Council work session for either Monday January 23 or Tuesday the 24th. The meeting should not last more than one hour.

MOTION NEEDED

ATTACHMENTS:

Agenda Item Summary

CITY COUNCIL AGENDA ITEM REPORT

DATE: January 10, 2023

SUBMITTED BY: Holli Gudknecht, Finance

ITEM TYPE: New Business

AGENDA SECTION: **NEW BUSINESS**

SUBJECT: **Proposed 8% Increase to Sanitary Sewer Rates**

SUGGESTED ACTION: The 2023 Sanitary Sewer Budget includes an 8% rate increase. The increase was reviewed at the October 26,2023 work session. The increase would be

<i>2022 (Current rate)</i>	<i>2023 (Proposed)</i>
<i>Base rate</i>	<i>Base Rate</i>
<i>1" meter \$21.70</i>	<i>1" meter \$23.44</i>
<i>1.5" \$69.50</i>	<i>1.5" \$75.06</i>
<i>2" \$104.00</i>	<i>2" \$112.32</i>
<i>3" 185.00</i>	<i>3" 199.80</i>
<i>User (Per 1000 gallons) \$6.10</i>	<i>User (Per 1000</i>
<i>gallons) \$6.61</i>	<i>gallons) \$6.61</i>

Over 95% of the meters are 1". The larger meters are commercial and industrial customers. See further information attached below.

MOTION NEEDED

ATTACHMENTS:
[DOC010623.pdf](#)

Fill Yellow shaded cells with constants

SANITARY SEWER	
USAGE	includes BC charges
2017	48150 \$278,601
2018	48378 \$344,831
2019	48614 \$385,669
2020	48714 \$407,609
2021	47226 \$409,897
235083	
use 5 yr avg	47017 monthly 3918
\$25,689.31	2023 budget
\$20,287.91	\$310,779.73 usage per-1000 gal \$6.61 Based on adjusted preliminary rate study recommendation
	\$243,554.90 bc
	\$54,224.82
	\$657,200
	round
To find the number of base charges run "Charge Summary sue" in UB under Sue's Reports	
used preliminary rate study	# of meters
Base charges	756
\$23.44	< 1" \$17,754.49
\$75.05	1.5" \$575.54
\$112.32	2" \$449.28
\$199.80	3" \$1,396.60
	778 monthly
	\$20,287.91 monthly
	\$243,454.90 annual

Taken from 2021 Utility Rate Study

Figure 8

Proposed 2022 rates: 45% base, 55% consumption
NOT levying \$30,000

Water service line/meter size	Monthly Base Charge	Volume charge (per thousand gallons)
Less than and including 1"	\$22.81	\$5.74
1.5"	\$68.43	\$5.74
2"	\$102.65	\$5.74
3"	\$182.48	\$5.74

In used 4470 usage \$16 clean to 3881

Figure 9

2022 Sanitary Sewer Actual implemented rates	2022 Sanitary Sewer Actual implemented rates
Monthly Base Revenue	\$19,194.64
Monthly Consumption Revenue	\$25,663.06
Monthly Sewer Revenue	\$44,857.70
Annual Sewer Revenue	\$538,292.42
Surplus/Shortfall	\$502.42

Est'd % increase for Base Charges 8.00%

2022 Sanitary Sewer Actual implemented rates

SANITARY SEWER (effective March 15, 2022)

Residential and commercial sanitary sewer rates

Sewer per ft

Base Rate

1" service line or less \$6.10

2" service line \$21.70

3" service line \$104.00

4" service line \$185.00

Sewer Connection Fee for new homes (effective 1/1/09) 5844

STORM SEWER

	units	total
Residential	706	\$86,482
Non-Residential	141	\$34,145
Multi-unit -	12	\$726
		\$120,354

Assumption: Use 5 year average Usage for projected calculation of 2023 Sanitary Sewer revenue

CITY OF KENYON

10/21/22 2:20 PM

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*Expenditure Budget Analysis

Current Period: OCTOBER 2022

Account	2021 Budget	2022 Budget	2023 Budget	Diff From Last Yr	%Diff From Last Yr	Diff From Current	%Diff From Cur Budget
FUND 602 SANITARY SEWER							
!E 602-43256-101 SALARIES - REGULAR	\$42,740.00	\$52,550.00	\$48,743.00	\$6,003.00	-114.05%	-\$3,807.00	-7.24%
!E 602-43256-102 SALARIES - OVERTIME	\$9,270.00	\$10,510.00	\$10,930.00	\$1,660.00	-117.91%	\$420.00	4.00%
!E 602-43256-121 PERA - EMPLOYER SHA	\$3,900.00	\$4,730.00	\$4,475.00	\$575.00	-114.74%	-\$255.00	-5.39%
!E 602-43256-122 FICA - EMPLOYER SHAR	\$3,980.00	\$4,830.00	\$3,775.00	-\$205.00	-94.85%	-\$1,055.00	-21.84%
!E 602-43256-130 INSURANCE - MED/DENT	\$18,470.00	\$21,290.00	\$18,340.00	-\$130.00	-99.30%	-\$2,950.00	-13.86%
!E 602-43256-150 INSURANCE - WORKERS	\$1,960.00	\$2,020.00	\$2,020.00	\$60.00	-103.06%	\$0.00	0.00%
!E 602-43256-160 PERA PENSION EXPENS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	0.00%
!E 602-43256-210 OPERATING SUPPLIES &	\$11,600.00	\$11,600.00	\$15,000.00	\$3,400.00	-129.31%	\$3,400.00	29.31%
!E 602-43256-212 MOTOR FUELS, LUBES,	\$500.00	\$500.00	\$1,000.00	\$500.00	-200.00%	\$500.00	100.00%
!E 602-43256-216 CHEMICALS	\$8,000.00	\$8,000.00	\$8,000.00	\$0.00	-100.00%	\$0.00	0.00%
!E 602-43256-265 PROPERTY TAX	\$830.00	\$850.00	\$860.00	\$30.00	-103.61%	\$10.00	1.18%
!E 602-43256-303 ENGINEERING	\$5,000.00	\$5,000.00	\$5,000.00	\$0.00	-100.00%	\$0.00	0.00%
!E 602-43256-304 LEGAL	\$500.00	\$500.00	\$500.00	\$0.00	-100.00%	\$0.00	0.00%
!E 602-43256-307 CONTRACT SERVICES	\$3,000.00	\$3,100.00	\$3,100.00	\$100.00	-103.33%	\$0.00	0.00%
!E 602-43256-311 CONFERENCE & TRAINI	\$1,000.00	\$500.00	\$500.00	-\$500.00	-50.00%	\$0.00	0.00%
!E 602-43256-321 UTILITIES-PHONE/INTER	\$1,520.00	\$1,380.00	\$1,380.00	-\$140.00	-90.79%	\$0.00	0.00%
!E 602-43256-331 TRAVEL EXPENSE	\$700.00	\$700.00	\$700.00	\$0.00	-100.00%	\$0.00	0.00%
!E 602-43256-360 INSURANCE - PROPERT	\$6,380.00	\$6,560.00	\$7,350.00	\$970.00	-115.20%	\$790.00	12.04%
!E 602-43256-381 UTILITIES-ELECTRIC &	\$37,120.00	\$38,630.00	\$38,630.00	\$1,510.00	-104.07%	\$0.00	0.00%
!E 602-43256-383 UTILITIES-NATURAL GAS	\$3,920.00	\$3,980.00	\$4,500.00	\$580.00	-114.80%	\$520.00	13.07%
!E 602-43256-384 UTILITIES-REFUSE/REC	\$620.00	\$680.00	\$680.00	\$60.00	-109.68%	\$0.00	0.00%
!E 602-43256-385 UTILITIES-SEWER CHAR	\$17,300.00	\$18,590.00	\$18,590.00	\$1,290.00	-107.46%	\$0.00	0.00%
!E 602-43256-400 REPAIRS AND MAINT	\$28,000.00	\$35,000.00	\$20,000.00	-\$8,000.00	-71.43%	-\$15,000.00	-42.86%
!E 602-43256-414 OSHA/SAFETY CLOTH. &	\$500.00	\$500.00	\$1,000.00	\$500.00	-200.00%	\$500.00	100.00%
!E 602-43256-417 UNIFORMS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	0.00%
!E 602-43256-418 UNIFORMS	\$400.00	\$400.00	\$400.00	\$0.00	-100.00%	\$0.00	0.00%
!E 602-43256-420 DEPRECIATION	\$261,350.00	\$240,000.00	\$240,000.00	-\$21,350.00	-91.83%	\$0.00	0.00%
!E 602-43256-429 PERMITS AND LICENSES	\$1,600.00	\$1,600.00	\$1,600.00	\$0.00	-100.00%	\$0.00	0.00%
!E 602-43256-430 MISCELLANEOUS	\$500.00	\$500.00	\$500.00	\$0.00	-100.00%	\$0.00	0.00%
!E 602-43256-432 BAD DEBT EXPENSE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	0.00%
!E 602-43256-501 CAPITAL OUTLAY	\$11,000.00	\$11,000.00	\$110,000.00	\$99,000.00	1000.00%	\$99,000.00	900.00%
!E 602-43256-603 BOND PRINCIPAL - 2012	\$11,700.00	\$12,675.00	\$12,675.00	\$975.00	-108.33%	\$0.00	0.00%
!E 602-43256-604 BOND PRINCIPAL - 2020	\$0.00	\$31,020.00	\$38,779.62	\$38,779.62	0.00%	\$7,759.62	25.01%
!E 602-43256-605 LOAN PRINCIPAL - PFA (\$61,000.00	\$92,000.00	\$93,000.00	\$32,000.00	-152.46%	\$1,000.00	1.09%
!E 602-43256-606 CAPITAL LEASE PRINCIP	\$23,530.00	\$24,330.00	\$26,223.00	\$2,693.00	-111.44%	\$1,893.00	7.78%
!E 602-43256-607 LOAN PRINCIPAL - PFA (\$30,000.00	\$0.00	\$0.00	-\$30,000.00	0.00%	\$0.00	0.00%
!E 602-43256-608 BOND PRINCIPAL - 2016	\$8,460.00	\$8,460.00	\$8,460.00	\$0.00	-100.00%	\$0.00	0.00%
!E 602-43256-611 BOND INTEREST	\$820.00	\$525.00	\$174.28	-\$645.72	-21.25%	-\$350.72	-66.80%
!E 602-43256-612 LOAN INTEREST - PFA	\$12,510.00	\$11,600.00	\$10,680.00	-\$1,830.00	-85.37%	-\$920.00	-7.93%
!E 602-43256-614 BOND INTEREST 2016 FI	\$3,680.00	\$3,550.00	\$3,405.00	-\$275.00	-92.53%	-\$145.00	-4.08%
!E 602-43256-615 BOND INTEREST - 2020A	\$23,950.00	\$22,840.00	\$21,794.00	-\$2,156.00	-91.00%	-\$1,046.00	-4.58%
!E 602-43256-619 CAPITAL LEASE INTERE	\$2,480.00	\$1,685.00	\$964.00	-\$1,516.00	-38.87%	-\$721.00	-42.79%
!E 602-43256-620 FISCAL AGENT FEES	\$500.00	\$0.00	\$0.00	-\$500.00	0.00%	\$0.00	0.00%

CITY OF KENYON

*Expenditure Budget Analysis

Current Period: OCTOBER 2022

Account	2021 Budget	2022 Budget	2023 Budget	Diff From Last Yr	%Diff From Last Yr	Diff From Current	%Diff From Cur Budget
!E 602-43256-622 BOND ISSUANCE COSTS	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	0.00%
!E 602-43256-719 TRANSFER-INTERFUND	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	0.00%
!E 602-47000-602 DISCOUNT AMORTIZATI	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	0.00%
<i>FUND 602 SANITARY SEWER</i>	\$660,290.00	\$694,185.00	\$783,727.90	\$123,437.90		\$89,542.90	
<i>Grand Total</i>	\$660,290.00	\$694,185.00	\$783,727.90	\$123,437.90		\$89,542.90	

Pursuant to due call and notice thereof, a City Council Work Session was duly held in the City Council chambers at 6:00 p.m. on the 26th day of October 2022. The following members were present: Mayor Doug Henke, Council Members: Dan Rechtzigel, Mary Bailey, Kim Helgeson, and Molly Ryan

Absent:

Also, present: City Administrator Mark Vahlsing, Finance Clerk Kathy Flikke, Public Works Superintendent Wayne Ehrich, Liquor Store Manager Matt Bartel, CEDA Economic Development Specialist Cora Boelman

Mayor Henke called the work session to order at 6:00 pm. The purpose of this meeting is to review the Enterprise portion of the 2023 draft budget.

Update on 3rd Quarter Economic Development Activities. Cora Boelman – Community and Business Development Specialist. CEDA

Cora Boelman updated the Council on her current activities. She stated that she and the City Administrator had met with a prospective business last week interested in the business park. The company did boat transportation, storage, and service. They have a location in Bay City, WI. She has also been working on updating business park marketing materials and web listings.

For the downtown she stated that she has been visiting business owners. She has also been working to promote the Façade Improvement program by updating and distributing information. She is working on an inventory of vacant buildings. The listings will be added to the city web site. She has also talked to some persons interested in starting businesses in the downtown area.

Review Proposed 2023 Budget – Enterprise Funds

Public Works Superintendent Ehrich reviewed the proposed 2023 Sanitary sewer fund budget. The only major purchase proposed in the Sanitary sewer budget was an inline grinder pump. The approximated cost with installation is \$70,000-\$80,000.

Administrator Vahlsing reviewed sanitary sewer rates. The 2023 budget shows a proposed 8% increase to user rates and base charges.

Public Works Superintendent Ehrich reviewed the proposed 2023 storm sewer fund budget. There were no major changes to the storm sewer budget.

Administrator Vahlsing reviewed storm sewer rates. The 2023 budget shows no proposed increase to user rates and base charges.

Liquor Store Manager Matt Bartel reviewed the proposed 2023 budget for the municipal liquor store. The liquor Store budget showed increase to beer, wine and liquor sales and revenue. He also asked the Council about his status as a non-exempt employee.

Motion by Ryan, Second by Bailey to adjourn the meeting at 7:05 p.m. Motion Carried 5-0-0

Mark Vahlsing, City Administrator

Douglas Henke, Mayor

Agenda Item Summary

CITY COUNCIL AGENDA ITEM REPORT

DATE: January 10, 2023

SUBMITTED BY: Holli Gudknecht, Finance

ITEM TYPE: New Business

AGENDA SECTION: **NEW BUSINESS**

SUBJECT: **Change City Signatories at Security State Bank of Kenyon**

SUGGESTED ACTION: Council approval is needed to change signatories on the City account at the Security State Bank of Kenyon.

- 1.Remove Dan Rectzigel
2. Add Molly Ryan to account.

MOTION NEEDED

ATTACHMENTS:

Agenda Item Summary

CITY COUNCIL AGENDA ITEM REPORT

DATE: January 10, 2023

SUBMITTED BY: Holli Gudknecht, Administration

ITEM TYPE: Miscellaneous

AGENDA SECTION: **F.Y.I. - Department Updates**

SUBJECT: FYI

SUGGESTED ACTION:

ATTACHMENTS:
[1-10-23 FYI.doc](#)

FOR YOUR INFORMATION. . .

This section is to highlight projects and events that do not require Council action but are necessary to keep you informed. Department reports and commission/committee minutes will be contained in this section.

Library Report

Liquor Store Report

No Report

Police Dept. Report

KMU

Agenda and minutes from December 20, 2022

Agenda and minutes from December 20, 2022 – Special Meeting

Park & Recreation Committee

Agenda from January 9, 2023

Planning Commission Meeting

No Meeting

EDA

No Meeting

