

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 11<sup>th</sup> day of June 2019. The following members were present: Mayor Mike Engel, Council Members, Dan Rechtzigel, Richard Nielsen, Doug Henke, and John Mortensen. Also, present: Attorney Scott Riggs, Engineer Joe Rhein, Administrative Assistant Holli Gudknecht, Police Chief Lee Sjolander, Library Director Michelle Otte

### **CITIZEN COMMENTS**

None

### **ADOPT AGENDA**

Motion by Mortensen second by Nielsen to approve the agenda. Motion carried 5-0-0.

### **CONSENT AGENDA**

Motion by Nielsen seconded by Henke to approve the Consent Agenda, which includes payment of check numbers, 69706 through 69798; 3250E through 3272E; and additional checks 69799 through 69824. Motion carried 5-0-0.

### **PRESENTATIONS/PUBLIC HEARINGS**

#### **ENGINEERING**

##### **EDA Business Park Development Update**

City Engineer Rhein provided an update on the status of the platting and general development plan for the new Business Park. Meetings were held with the neighbors to the North, MN DOT, and Goodhue County Public Works concerning various requirements in this area.

##### **2<sup>nd</sup> Street Sanitary Sewer Improvements**

City Engineer Rhein provided an update on the 2<sup>nd</sup> Street project. RAW Construction signed the contract and will begin construction in late July. The City Engineer's office will hold a meeting in late June with affected property owners on the 2<sup>nd</sup> Street project. Representatives from RAW Construction will also attend the meeting.

##### **Change Order #1**

RAW and the City signed and agreed to the terms of Change Order #1 on the 2<sup>nd</sup> Street project. The change order stated that no work will be allowed on the project between August 15-19, 2019 for Rose Fest. Also, the project area will be clear of any equipment, or materials, and that all roads shall be open to traffic during this period. The change order will not change the cost or completion date of the project. Motion by Nielsen second by Rechtzigel to approve Change Order #1 to the 2<sup>nd</sup> Street Sanitary Sewer Project. Motion carried 5-0-0.

##### **Red Wing Avenue**

Engineer Rhein stated that draft versions of the project layouts, cost estimates, and assessment roles have been prepared. The feasibility study is being completed and the findings will be reviewed at the Council work session on June 25.

##### **Set Work Session to review feasibility study**

Motion by Rechtzigel second by Mortensen to set a work session meeting on Tuesday, June 25 at 7:00 p.m. Motion carried 5-0-0.

#### **LEGAL**

##### **Update on Transfer of Ownership of the Ambulance Building back to the City of Kenyon**

City Attorney Riggs stated that he is finalizing the legal documents for transfer of the property back to the City. Once the EDA has signed off on the transfer, the deed can be filed and transferred to the City.

## **OLD BUSINESS**

### **Review conversion of Ambulance Building for Police Department.**

Chief Sjolander reviewed some ideas for the conversion of the former ambulance building for police department use. Sjolander met with a contractor today. The plan is still a work in progress, but hopefully it can be completed by the end of the year.

### **Update on BDPI Grant – Business Park Project**

Mayor Engel stated that KMU approved the inter-fund loan that will provide City's match for the BDPI grant at their May 15 meeting. The resolutions and support material were then submitted to DEED. An email was received from DEED last Friday stating that the BDPI application had completed the first phase review. It is now being forwarded to the Minnesota Management and Budget Office requesting full funding. When that agency has completed reviewing the application it will go back to DEED for final review.

## **NEW BUSINESS**

### **Update on Library Carpet replacement and painting project.**

Library Director Michelle Otte updated the Council on the library improvement project. The carpet will be replaced with new carpet squares, which was included in the 2019 City Budget. The process of replacing the carpet will involve temporarily moving all the books and shelving, so Otte has been working on options for painting the library at the same time. The details are still being worked out, but the goal is to close for two weeks starting August 19, for the updates. Otte is also working on a server migration, which will mean purchasing a server service instead of using SELCO. The server will now be in Atlanta instead of onsite in Rochester. This change will be more secure and cost effective.

### **Approve Hiring of Municipal Liquor Store Employee**

Motion by Mortensen second by Rechtzigel to approve hiring Layla Sjolander as a part-time Liquor Store employee. Motion carried 5-0-0.

### **Approve Resolution 2019-20: Requesting Reinstatement of Local Board of Appeal and Equalization**

Mayor Engel stated that a resolution was required to have the Local Board Appeal and Equalization returned to the City Council in 2020.

Motion by Rechtzigel second by Henke to approve Resolution 2019-20: Requesting Reinstatement of Local Board of Appeal and Equalization. Motion carried 5-0-0.

### **EDA Board Resignation**

Mayor Engel stated that Dan Dummer had resigned from the EDA Board. His knowledge and experience will be missed. Replacement candidates are being sought.

### **Pool Heater**

Mayor Engel stated that the main heater at the City pool stopped working about three weeks ago. The seals were leaking, so a new heater was ordered. The cost of the heater and installation is approximately \$16,000.

Motion by Henke second by Mortensen to approve the purchase of a new heater for the pool. Motion carried 5-0-0.

### **Rose Fest Funding Request**

Mayor Engel stated that a request was received from the Rose Fest committee requesting additional funds from the City. The committee would like to keep receiving their \$1,000 donation from the City, in addition to having the City pay for the Porta potty costs and transfer \$2,000 to them from the Carriage & Cutter account. Engel noted that the City only donated \$1000 to the Carriage & Cutter Day not \$2000.

The Council decided that money should not be transferred from the Carriage & Cutter Day fund. The City Administrator and Liquor Store Manager were directed to consider a plan that would come up with the extra money to cover the Porta potty costs and report back to the Council at the July meeting.

**Purchase Agreement for 411 Bullis**

Attorney Riggs stated that the City received an offer for the purchase of the 411 Bullis property. The offer is from a buyer who would like to construct a single-family home on the property to be used as rental property.

Motion by Henke second by Nielsen to recess the meeting and to go into closed session at 7:56 p.m.  
Motion Carried 5-0-0.

The following members were present: Mayor Mike Engel, Council Members, Dan Rehtzigel, Richard Nielsen, Doug Henke, and John Mortensen. Also, present: Attorney Scott Riggs, Administrative Assistant Holli Gudknecht, Police Chief Lee Sjolander

Pursuant to Minnesota Statutes, Section 13D.05, subdivision 3(c), to conduct a closed session to review confidential appraisal data and to review and consider strategies and to develop or consider offers or counteroffers for the sale of real property: 411 Bullis Street.

Motion by Engel second by Mortensen to end closed session and to reconvene regular open meeting at 8:05 p.m. Motion carried 5-0-0

Motion by Mortensen second by Henke to approve Resolution 2019-21 Authorizing the Sale of City of Kenyon Property and Approving a Purchase Agreement for such Transaction. Motion carried 5-0-0.

**OTHER BUSINESS**

**Schedule of Upcoming Meetings**

KMU Meeting: Wednesday, June 19<sup>th</sup> @ 6:00 p.m.

City Council Meeting: Tuesday, July 9<sup>th</sup> @ 7 p.m.

**COUNCIL AND STAFF GENERAL COMMENTS**

Councilman Mortensen noted that Cheryl Dahl said the pool kickoff party was a success.

Mayor Engel stated that it is nice to put an end to the 411 Bullis saga.

Motion by Mortensen second by Rehtzigel to adjourn the meeting at 8:08 p.m. Motion Carried 5-0-0.

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Mark Vahlsing, City Administrator

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Richard Nielsen, Acting Mayor