

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 12th day of August 2020. The meeting was called to order by Mayor Henke. The following members were present: Mayor Doug Henke, Council Member Dan Rechtzigel, John Mortensen, and Tom Gard. Also, present: Administrator Mark Vahlsing, Administrative Assistant Holli Gudknecht, Police Chief Lee Sjolander, Engineer Derek Olinger, Engineer Joe Rhein, Attorney Scott Riggs, Kyle Flom
Via Teleconference: Richard Nielsen

CITIZEN COMMENT

Jack Metcalf questioned if there were any businesses committed to the new Kenyon Business Park and what the financial impact to the citizens would be. Administrator Vahlsing responded that the Business Park was financed through bonds with a combination of revenue generated through tax levies when the lots are sold. Vahlsing will email the details of the financing to Metcalf. Metcalf also read in the March City Council minutes that the Kenyon Police Department had been approached by the school district about the possibility of providing coverage at the school. Metcalf wondered what the outcome was. Police Chief Sjolander was present at the meeting and responded to Metcalf privately. Sjolander informed Metcalf that the school district had decided to continue with the previously contracted services for one more year.

ADOPT AGENDA

Addition: / VIII / Legal / B / Solid Waste Rate Increase Request – Flom Disposal

Addition: / XI / New Business / C / Merrienne Weston CUP Request

Motion by Gard second by Nielsen to approve the amended agenda.

Roll Call Vote: Henke- Aye, Rechtzigel – Aye, Mortensen – Aye, Gard – Aye, Nielsen - Aye

Motion carried 5-0-0.

CONSENT AGENDA

Motion by Rechtzigel second by Henke to approve the Consent Agenda, which includes payment of check numbers, 71243 through 71331; 3544E through 3560E; and additional checks 71332 through 71356.

Roll Call Vote: Henke- Aye, Rechtzigel – Aye, Mortensen – Aye, Gard – Aye, Nielsen - Aye

Motion carried 5-0-0.

PRESENTATIONS/PUBLIC HEARINGS/RECOGNITIONS/PROLAMATIONS

Mayor Henke opened the Public Hearing at 7:09 pm.

Administrator Vahlsing stated that this Public Hearing was required as part of the close out for the Small Cities Development grant program. Vahlsing summarized where the funds were utilized in the City. No residents attended the Public Hearing.

Motion by Mortensen second by Nielsen to close the Public Hearing at 7:14 p.m.

Roll Call Vote: Henke- Aye, Rechtzigel – Aye, Mortensen – Aye, Gard – Aye, Nielsen - Aye

Motion carried 5-0-0.

ENGINEERING

Red Wing Avenue Project Update

Engineer Olinger stated that construction crews completed Phase 1 of the construction, seven days early, on July 24. Crews are currently installing utilities south of 5th Street as part of Phase 2 of the construction. Wencl expects to complete the project the second or third week of October.

Change Order #2

Engineer Olinger outlined the two changes requested on Change Order #2. Wencl requested that the requirement to pave half of the block south of 2nd Street before Rose Fest be removed since Rose Fest was cancelled. The change order would also add storm sewer in the area of 8th Street between Southview Estates and 711 Red Wing Avenue. The Engineers had been working with Foldcraft to get an easement through this area, but Foldcraft indicated they would rather sell this property to the City.

There is now a verbal agreement with Foldcraft to purchase this area, so Wencl could proceed with the storm sewer extension. This addition would improve the overall storm sewer system drainage and reduce the risk of flooding, ponding, and generally wet conditions on the north end of the mobile home park. The net cost of the change order would be \$25,568.00.

Motion by Rehtzigel second by Gard to approve Change Order #2 for Wencl Construction.

Roll Call Vote: Henke- Aye, Rehtzigel – Aye, Mortensen – Aye, Gard – Aye, Nielsen - Aye

Motion carried 5-0-0.

Pay Request #3 – Wencl Construction

Motion by Henke second by Rehtzigel to approve pay request No. 3 to Wencl Construction in the amount of \$393,793.56 for work completed through July 24th. This includes an extra \$10,500 early completion bonus.

Roll Call Vote: Henke- Aye, Rehtzigel – Aye, Mortensen – Aye, Gard – Aye, Nielsen - Aye

Motion carried 5-0-0.

Kenyon Business Park Project Status Update

Engineer Olinger reported that the signed contracts from A-1 Construction have been received and are ready for City signatures. A-1 plans to begin work in early September. During the EDA meeting it was suggested that a groundbreaking ceremony be held when some construction equipment is on site, which would be the first or second week of September.

FEMA Flood Repairs

Engineer Olinger updated the Council on the application for funding assistance that was submitted to FEMA several months ago for damage caused by the 2019 floods. This project would involve stabilizing the bank of the Zumbro River and related drainage repairs in the adjacent park. The original funding request was based on an improvement cost of \$110,000. FEMA only approved around 30% of the project cost. Olinger stated that they will continue to work with FEMA to increase the amount of grant funding before moving forward with the project.

LEGAL

Planning Commission: Discuss regulating “Shouse” combined Shop/House mixed use buildings in Ag and Residential Zoning Districts.

Administrator Vahlsing stated that the Planning Commission had discussed the “Shouse” concept at their last meeting. A “Shouse” is a combination or mixed-use shop/commercial residential building. Last year, the City received a proposal for a barn-type building that the applicants wanted to reside in, but also use as a shop and for equipment storage. These types of buildings are permitted in rural areas, but they present issues for City’s especially if allowed in residential and ag zoned areas. This type of building is not currently regulated by City code. The Planning Commission recommended that the City zoning ordinance be revised to address these structures.

Motion by Mortensen second by Henke to direct the City Attorney to draw up language to revise the zoning ordinance to address combination structures.

Roll Call Vote: Henke- Aye, Rehtzigel – Aye, Mortensen – Aye, Gard – Aye, Nielsen - Aye

Motion carried 5-0-0.

Solid Waste Rate Increase Request – Flom Disposal

Administrator Vahlsing stated that Flom Disposal requested a rate increase to take effect 90 days after the approval of the request. The rate increase was based on the pending adoption of Goodhue County’s solid waste ordinance. The County Commissioners will vote on this ordinance on August 18. If adopted, the ordinance would take effect 60 days later on October 18. Kyle Flom stated that his costs, associated with disposal of waste at the Red Wing facility, would increase 82% plus an increase in tipping fee. The approximate increase in residential monthly rates would be 24%. Vahlsing recommended approving the increase since the conditions of the increase were beyond Flom’s control.

Motion by Rechtzigel second by Mortensen to direct staff to move forward with the requested increase and modify the garbage contract with Flom Disposal including the CPI increase, dependent on the Goodhue County Ordinance passing.

Roll Call Vote: Henke- Aye, Rechtzigel – Aye, Mortensen – Aye, Gard – Aye, Nielsen - Aye
Motion carried 5-0-0.

OLD BUSINESS

Update on Former Ambulance Garage Renovations

Police Chief Sjolander updated staff on the police department renovations. They are starting to move in. They are still waiting for the desks to arrive. Computers are being moved and hookups are being completed. Hopefully, they will be in by the end of the month.

Rose Fest Sidewalk Vendors (Cancelled). –

Administrator Vahlsing stated that the Rose Fest sidewalk vendors were tabled at the July Council meeting. Since then, the event has been cancelled, so no action is needed.

NEW BUSINESS

Set Council Work Session to Review 2021 Draft Budget

Administrator Vahlsing stated that a Council work session needed to be scheduled to review the 2021 budget. The preliminary levy must be adopted at the September Council meeting, so the budget numbers are needed before this meeting. The Council set a work session for Tuesday, September 1 at 4:00 p.m.

Kenyon Bar and Grill Liquor License Renewal

Motion by Gard second by Henke to renew Kenyon Bar and Grill's liquor license.

Roll Call Vote: Henke- Aye, Rechtzigel – Aye, Mortensen – Aye, Gard – Aye, Nielsen - Aye
Motion carried 5-0-0.

Merrienne Weston CUP Request

Administrator Vahlsing stated that the Planning Commission had a hearing and approved a Conditional Use Permit for Merrienne Weston to conduct a home extended business at her residence. The Commission recommended approval of this CUP to the Council.

Motion by Henke second by Mortensen to adopt Resolution 2020-19: approving the conditional use permit to operate a home extended business in the R-1 zoning district for Merrienne Weston.

Roll Call Vote: Henke- Aye, Rechtzigel – Aye, Mortensen – Aye, Gard – Aye, Nielsen - Aye
Motion carried 5-0-0.

Schedule of Upcoming Meetings

KMU Meeting: Wednesday, August 26 @ 2:00 p.m.

City Council Work Session: Tuesday, September 1st @ 4:00 p.m.

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

COUNCIL AND STAFF GENERAL COMMENTS

Administrator Vahlsing thanked all who helped setup and conduct the election yesterday for their hard work. Everything went smoothly.

Councilman Mortensen thanked the City of Red Wing (for the garbage increase).

Motion by Gard second by Rechtzigel to adjourn the meeting at 8:17 p.m.

Roll Call Vote: Henke- Aye, Rechtzigel – Aye, Mortensen – Aye, Gard – Aye, Nielsen - Aye
Motion carried 5-0-0.

Holli Gudknecht, Administrative Assistant

Douglas Henke, Mayor