

Pipestone, Minnesota  
September 6, 2016

Pursuant to due call and notice thereof, a regular meeting of the Pipestone City Council was duly held in the Municipal Building at 6:30 p.m. on the 6<sup>th</sup> day of September 2016. Mayor Laurie Ness called the meeting to order. Roll call was taken and a quorum was declared. Members present: Laurie Ness, Myron Koets, Jim Stout, Rodger Smidt, and Kyle Caskey. Absent: None. Others present: Deb Fitzgerald, Samantha Alleckson, Alcohol Prevention Coordinator Steve Beekman, Building and Zoning Official Doug Fortune, Bolton & Menk Representative John Graupman, Cable Access Coordinator Steve Moffitt, City Administrator/City Attorney Jeff Jones and City Clerk Deb Nelson.

### **PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was recited.

### **APPROVE AGENDA – ADDITIONS, CHANGES OR DELETIONS**

There were no additions, changes or deletions to the agenda, therefore the agenda stands as presented.

### **CONSENT AGENDA**

The Mayor stated the Consent Agenda consists of the August 15, 2016 Special Meeting Minutes; August 15, 2016 Regular Meeting Minutes; August 19, 2016 Special Meeting Minutes; and Payment of Claims-Listing of Bills and asked if there were any discussion regarding these items.

Motion was made by Smidt, seconded by Stout and unanimously carried to approve the Consent Agenda which consisted of the following: August 15, 2016 Special Meeting Minutes; August 15, 2016 Regular Meeting Minutes; August 19, 2016 Special Meeting Minutes; and Payment of Claims-Listing of Bills in the amount of \$1,056,320.43 for warrants #051829 to #052034 to be issued in payment thereof.

### **COMMUNITY CONCERNS**

Samantha Alleckson, 302 7<sup>th</sup> St SW, was present and stated she had two dead ash trees in her yard close to streetlight pole wires and VAST cable wires and asked if the city would take them down as part of the Highway 30 Project. Discussion followed regarding having the city remove the trees but since this came under Community Concerns, no action was taken.

### **PRESENTATION**

Steve Beekman, Alcohol Prevention Coordinator

Steve Beekman stated he was hired by Southwest Minnesota Health and Human Services as the Alcohol Prevention Coordinator as a result of SWMN Health and Human Services receiving a five-year, \$945,000 grant from the Minnesota Department of Human Services: Alcohol Abuse Division grant program intended to reduce underage alcohol use in Pipestone. He said one of the first steps he is doing is starting a community coalition of community members to meet once a

month to go over goals and create a mission statement. He invited anyone interested in being a part of the coalition to contact him. City Administrator/City Attorney Jones stated the city's Cable Access channel could advertise for this.

## **ENGINEERING**

### **Highway 30 Improvement Project – Change Order No. 1**

John Graupman of Bolton & Menk informed the Council that First Rate Excavate, Inc., general contractor for the Highway 30 project, has submitted Change Order No. 1 which reflects a cost savings of \$26,696.31. He said Burlington Northern Santa Fe Railroad Company has agreed to an open trench installation of storm sewer under the railroad bridge instead of boring under the highway.

Motion was made by Koets, seconded by Smidt and unanimously carried to approve Change Order No. 1 with a \$26,696.31 deduction in the contract price.

### **Highway 30 Improvement Project – Pay Request No. 2**

John Graupman of Bolton & Menk stated First Rate Excavate has submitted Pay Request No. 2 in the amount of \$458,931.87 for work completed on the Highway 30 Improvement project. Mayor Ness asked if the pay request reflects the \$26,696.31 savings from the change order previously approved with Graupman stating it doesn't as the change order hasn't been processed yet.

Graupman then updated the Council on the project. Installation of the sanitary sewer is progressing to 2<sup>nd</sup> Ave; blasting should be done by the end of the week; and currently everything is right on schedule. Mayor Ness asked if there was any damage done from the blasting. Graupman stated that there has been none to date but one potential complaint was received late today.

Motion was made by Stout, seconded by Caskey and unanimously carried to approve Pay Request No. 2 to First Rate Excavate in the amount of \$458,931.87 for work completed on the Highway 30 project.

## **OLD BUSINESS**

### **Water Treatment Facility**

City Administrator/City Attorney Jones informed the Council that KHC Construction, Inc., low bidder on the Pipestone Water Treatment Facility Improvements Project which was bid on May 25, 2016 (bidders and bid amounts listed below), submitted a letter stating in the event funding for the water treatment project was not yet in place as of August 8, 2016, they would be willing to extend their original bid pricing an additional 200 days to February 24, 2017. He said there is no risk to the city to agree to the extension.

<b>BIDDERS</b>	<b>AMOUNT BID</b>	<b>ALT. DEDUCT ITEM</b> (Delete painting of walls & ceiling at locations identified in Alternate Room Schedule)
Gridor Construction, Inc 3990 27 <sup>th</sup> St SE Buffalo MN 55313	\$13,697,800	\$75,000
KHC Construction, Inc 703 Ontario Rd N Marshall MN 56258	\$13,437,000	\$100,000
Magney Construction, Inc 1401 Park Road Chanhasen MN 55317	\$15,269,000	\$77,000

Motion was made by Caskey, seconded by Koets and unanimously carried to accept the 200 day extension of KHC Construction, Inc.'s original bid pricing to February 24, 2017.

#### Hocking International, Minnesota Investment Fund Program

City Administrator/City Attorney Jones informed the Council he had received a letter from Hocking International stating they have decided not to pursue a Minnesota Investment Fund loan and are withdrawing their participation in the loan program. He said that the city, as potential sponsor, is required to notify DEED that Hocking and the city are withdrawing the MIF application. He said that Hocking is using DEED's Job Creation Fund.

Motion was made by Koets, seconded by Stout and unanimously carried to approve withdrawing Hocking International's MIF loan application.

#### Building Assessment

City Administrator/City Attorney Jones stated the Council had received the Building Assessment on August 15<sup>th</sup> and he is looking for direction from the Council on how they would like to proceed. There are options the Council can consider including a space needs study as recommended by Tom Dobbs.

Discussion followed after which the Council directed Jones to meet with Public Works Director Scott Swanson and Building and Zoning Official Doug Fortune to draw up a report to quantify what work needs to be done and costs associated with completing the work and present their findings to the Council at a future meeting.

#### NEW BUSINESS

##### 2017 Budget

City Administrator/City Attorney Jones informed the Council that the city had until September 30<sup>th</sup> to certify the preliminary tax levy to the auditor. He stated he and City Treasurer Lenae Scholten have completed meetings with department heads and mentioned that the Law

Enforcement contract has increased significantly and air handlers for the Rec Center are included in the Rec Center proposed budget.

He stated Council will need to schedule Monday, December 5, 2016 at 6:30 p.m. to conduct the Truth in Taxation Public Meeting.

Motion was made by Smidt, seconded by Stout and unanimously carried to schedule the Truth in Taxation public meeting for Monday, December 5, 2016 at 6:30 p.m.

Mayor Ness then read the following statement into record:

“The Pipestone City Council will discuss the 2017 budget and levy on December 5<sup>th</sup> and December 19<sup>th</sup> at 6:30 p.m. in the Council Chambers at 119 2<sup>nd</sup> Ave SW, Pipestone, Minnesota. The Council will set the final 2017 budget and levy at 6:30 p.m. on December 19<sup>th</sup> in the Council Chambers. Anyone having questions regarding the 2017 budget and levy should contact Jeff Jones at 507-825-3324. Written comments should be sent to 119 2<sup>nd</sup> Ave SW, Pipestone MN 56164.”

#### Schedule Special Meeting to Discuss 2017 Budget

Motion was made by Caskey, seconded by Smidt and unanimously carried to schedule Monday, September 19<sup>th</sup> at 5:00 p.m. to discuss the 2017 budget.

#### Schedule Public Hearing for Proposed Assessment for Unpaid Municipal Services and/or Municipal Utilities

City Administrator/City Attorney Jones explained that a public hearing is necessary to consider, and possibly adopt, the proposed assessment for unpaid municipal services and/or municipal utilities. Council will need to schedule October 17, 2016 at approximately 6:30 p.m. to conduct the public hearing.

Motion was made by Smidt, seconded by Caskey and unanimously carried to schedule Monday, October 17, 2016 at approximately 6:30 p.m. to conduct the public hearing for proposed assessments for unpaid municipal services and/or municipal utilities.

#### Resolution 2016-39

City Administrator/City Attorney Jones explained that this resolution authorizes the issuance of a general obligation water revenue note in the amount of \$574,493 and approves the project loan agreement for the water project. The note is through the Minnesota Public Facilities Authority with an interest rate of 1.03%. This will save the city \$279,965 as compared to market rate financing. He stated it will be necessary to increase water rates.

Motion was made by Stout, seconded by Smidt and unanimously carried to approve Resolution 2016-39: ACCEPTING THE OFFER OF THE MINNESOTA PUBLIC FACILITIES AUTHORITY TO PURCHASE A GENERAL OBLIGATION WATER REVENUE NOTE, SERIES 2016C, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$574,493; PROVIDING FOR ITS ISSUANCE; AND AUTHORIZING THE EXECUTION OF A PROJECT LOAN AGREEMENT.

### Resolution 2016-40

City Administrator/City Attorney Jones explained that this resolution authorizes the issuance of a sewer revenue note in the amount of \$1,061,741 and also approves the loan agreement for the Highway 30 project. This is also through the Minnesota Public Facilities Authority with an interest rate of 1.03%.

Motion was made by Smidt, seconded by Stout and unanimously carried to approve Resolution 2016-40: ACCEPTING THE OFFER OF THE MINNESOTA PUBLIC FACILITIES AUTHORITY TO PURCHASE A GENERAL OBLIGATION SEWER REVENUE NOTE, SERIES 2016B, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$1,061,741; PROVIDING FOR ITS ISSUANCE; AND AUTHORIZING THE EXECUTION OF A PROJECT LOAN AGREEMENT.

### Resolution 2016-41

Councilmember Koets explained that the Hiawatha Pageant Park Committee has been exploring ways to improve the acoustics at the Hiawatha Lodge. The Pipestone Area Community Foundation is prepared to donate \$7,000 for the installation of carpet to address the noise issue. The donation is conditioned on the city's agreeing to acquire a temporary dance floor. Estimated cost of the proposed dance floor ranges from \$800 - \$2550, depending on the size of the floor.

Motion was made by Stout and seconded by Koets to approve Resolution 2016-41: A RESOLUTION ACCEPTING DONATION. Upon roll call vote; Ayes: Koets, Smidt, Stout, Caskey; Nays: None; Abstain: Ness, motion carried 4-0-1.

City Administrator/City Attorney Jones informed the Council that the Lodge lacks outdoor lighting and it is estimated to cost approximately \$5,400 to install lighting in the parking lot. He said this item is not on the agenda but wanted to make the Council aware of this concern.

### Consider Approval of Evan and Tatum Witt Conditional Use Permit

Building and Zoning Administrator Doug Fortune shared that the Planning Commission had conducted a public hearing on August 31<sup>st</sup> to review the Conditional Use Permit application of Evan and Tatum Witt. They wish to erect a garage on property they own at 609 4<sup>th</sup> Ave SW. Pipestone City Code, Section 11.60, Subdivision 4 limits one garage for each single-family dwelling except by conditional use permit. They currently have a detached garage in existence. The total square footage of both the existing garage and proposed garage will not exceed the limitations found the code. The Planning Commission is recommending Council approve the Conditional Use Permit for Evan and Tatum Witt.

Motion was made by Smidt, seconded by Stout and unanimously carried to approve the Conditional Use Permit of Evan and Tatum Witt.

### **CLOSING COMMENTS**

Mayor Ness shared the next meeting for the Strategic Plan is September 23<sup>rd</sup>.

Councilmember Koets stated he won't be able to attend the October 3<sup>rd</sup> Council meeting.

City Administrator/City Attorney Jones shared that water will be off on 2<sup>nd</sup> Ave SW from 5<sup>th</sup> Street SW to 10<sup>th</sup> Street SW and everything between Hiawatha Avenue and 3<sup>rd</sup> Ave SW on September 7<sup>th</sup> and 8<sup>th</sup> from 9:00 a.m. to 5:00 p.m. for the Highway 30 improvement project.

**ADJOURNMENT**

Motion was made by Caskey, seconded by Stout and unanimously carried to adjourn the meeting at 7:38 p.m.

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Laurie K Ness  
Mayor

ATTEST:

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Deb Nelson  
City Clerk