

Pipestone, Minnesota
June 20, 2022

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 20th day of June 2022. Mayor Myron Koets called the meeting to order. Roll call was taken and a quorum was declared. Members present: Myron Koets, Jim Stout, Rodger Smidt, Dan Delaney and Justin Schroyer. Absent: None. Others present: Kyle Kuphal, Luke Johnson, Jody Wacker, Jeremy Whipple, Tom Steffes, Erica Volkir, Steve Ewing, Joan Stout, Sally Whittle, Kim VanHoecke, Deb Brockberg, Tony Koenders, Ehlers & Associates Representative Rebecca Kurtz, 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 being no additions, changes or deletions to the agenda, motion was made by Delaney, seconded by Stout and unanimously carried to approve the agenda as presented.

CONSENT AGENDA

Mayor Koets stated the Consent Agenda contains the June 6, 2022 Regular Meeting Minutes; Payment of Claims-Listing of Bills; May 2022 Financial Reports; and Informational Reports and asked if there was any discussion regarding these items.

Motion was made by Schroyer, seconded by Smidt and unanimously carried to approve the Consent Agenda containing the June 6, 2022 Regular Meeting Minutes; Payment of Claims-Listing of Bills in the amount of \$320,666.92 for warrants #066888 to #067014 to be issued in payment thereof; May 2022 Financial Reports; and Informational Reports.

COMMUNITY CONCERNS

None.

PRESENTATION

Rebecca Kurtz, Ehlers & Associates – General Obligation Bond Rating Report

Rebecca Kurtz then shared information regarding the proposed \$3M Bond Sale for the 2022 Street Projects. Ms. Kurtz stated that due to today being the Juneteenth holiday, the bond sale was unable to take place and will therefore be conducted June 22nd. Later in the meeting, the council will consider approval of a parameter resolution which would authorize Ehlers & Associates to proceed with the bond sale and establish a Pricing Committee to award the sale of the bonds on behalf of the council. By approving the parameter resolution, the closing date would not change and funds would be available to the city on July 7th.

Rebecca then congratulated the council on their AA- long-term rating from S & P Global. This rating reflects Ehlers & Associates view of Pipestone's strong budgetary performance with recent operating surpluses supporting the city's very strong budgetary flexibility and liquidity. Ms. Kurtz stated Ehlers & Associates is recommending the council approve the parameter resolution.

Proposed Tax Abatement for Housing Development

Rebecca shared the city has received a request from the Pipestone Development Company, LLC for \$126,000 in tax abatement to assist with the development of 14 owner occupied, market rate twin homes, a total of 28 units. The abatement would assist with the infrastructure expenses for the development including water and sewer. Construction of four twin homes – 8 units – is anticipated to begin this year, and the anticipated average sale price is \$325,000 per unity. Development will be on parcel number 18-657-0010 located at 900 6th Ave SW.

It is estimated that the first 8 units will generate approximately \$4,440 in abatement per year. This assumes the city would retain the taxes attributable to the current market value of \$1,250,600 (the base). By retaining the taxes from the base, the City will receive an estimated \$13,777 in annual taxes as the property has been tax exempt. Ehlers & Associates is recommending council approve the tax abatement resolution later in the meeting.

City Administrator/City Attorney Jones then read into record a letter received from Marlin Taubert. "To Pipestone City Council – As a tax payer I do not think the City of Pipestone should finance the installation of water and sewer for PDC's Hill School development. It will take years for the city to see any benefit from its investment. Councilman Stout told me the PDC has 131 members, so maybe they could each throw in an additional \$1,000.00 each to finance their own project. Marlin A Taubert".

ENGINEERING

11th Street NE Street Surface

City Administrator/City Attorney Jones stated the pipe for the installation of the storm sewer on 11th St NE has become available and will be installed beginning tomorrow. Because of this, a street surface will be needed. Bolton & Menk is estimating a cost of \$120,000.00 for an asphalt surface. Jones stated possible funding options to pay for the street surface include using funds from the General Fund, American Rescue Plan funds or the Liquor Store.

Councilmember Schroyer asked if part of the project would be assessed with Jones responding no.

Councilmember Delaney asked if it was necessary to pave the street or can it just be left as a gravel road like out in the Industrial Park. Delaney stated he felt the project is being rushed through and the project should have been presented by the engineer.

Motion was made by Smidt and seconded by Schroyer to approve the 11th St NW street surface at a cost of \$120,000.00 and use funds from the Liquor Store fund to pay for the project. Upon vote taken; Ayes: Koets, Stout, Smidt, Schroyer; Nays: Delaney, motion carried 4-1.

OLD BUSINESS

Carnegie Building Update

City Administrator/City Attorney Jones informed the council that this matter was not on the agenda as the attorney that is assisting the city just had surgery so there is nothing new to report. He will have this on the July 5th agenda.

Library Agreement

City Administrator/City Attorney Jones stated the library negotiating committee has met several times and has presented the council with the School Board's proposed Joint School District-City Library Agreement. Jones pointed out that the School Board's proposal does not comply with City Ordinance 157 or City Code 30.049 (A).

Library Director Jody Wacker then presented her many concerns with the School Board's proposal including:

- If the proposed agreement is approved as presented, the library will no longer be a community library and would therefore no longer qualify for the Plum Creek Library system; and
- Could trigger a possible loss of state funding.

Councilmember Delaney stated the School Board does provide in-kind services to the library mainly by providing a space for the library along with utilities and maintenance of the library space. Delaney cited the School Board's safety concerns with having the library at the school. The libraries of the 70s, 80s, and 90s are no longer possible and it is no longer conducive to have the library at the school. He also believes negotiations are done as the city negotiating committee didn't agree to any of the changes in the proposal presented and feels the School Board is not negotiating fairly.

Councilmember Schroyer stated the Committee never agreed to any of the changes in the proposal presented. They were done unilaterally by the School Board.

Motion was made by Schroyer, seconded by Delaney and unanimously carried to reject the June 8, 2022 School Board's Joint School District-City Library Agreement.

Tax-Forfeited Property

City Administrator/City Attorney Jones stated that at the last meeting, the council voted to state the city's interest in obtaining two tax-forfeited properties. The city must identify the public use or purpose to acquire the property. Jones shared that the city may acquire a parcel in one of three ways:

- Acquire the parcel for free and implement an authorized public use;
- Pay market value and use the parcel for an authorized public purpose; or
- Pay less than market value to correct blight or implement affordable housing.

It was determined that since the EDA already owns the property at 622 3rd Ave SW, it would be in the best interest of the city to acquire the parcel located to the north of 622 and add it to that lot

which would increase the size of the lot. Discussion was then held regarding the city's need for more affordable housing which could be a possible use for the former central school property.

Motion was made by Smidt, seconded by Schroyer and unanimously carried to table the tax-forfeited central school property to the July 5th meeting to give staff time to determine the use for this parcel.

NEW BUSINESS

Resolution 2022-31

Earlier in the meeting a public hearing was held to consider the request from PDC for a proposed \$126,000 tax abatement for their housing development project at the former Hill School property. The next step if the tax abatement is approved would be to prepare the development/abatement agreement and bring it before council for approval.

Motion was made by Stout, seconded by Smidt and unanimously carried to approve Resolution 2022-31: A RESOLUTION APPROVING PROPERTY TAX ABATEMENTS FOR THE PIPESTONE DEVELOPMENT COMPANY, LLC HOUSING PROJECT.

Resolution 2022-32

City Administrator/City Attorney Jones stated that earlier in the meeting, Rebecca Kurtz gave a presentation regarding the proposed General Obligation Bonds Series 2022A for the 2022 projects. This resolution, if approved, would approve the issuance of the bonds in the maximum aggregate principal amount, subject to certain parameters and establishing a pricing committee.

Motion was made by Smidt, seconded by Delaney and unanimously carried to approve Resolution 2022-32: A RESOLUTION AUTHORIZING THE SALE OF GENERAL OBLIGATION BONDS, SERIES 2022A, IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$3,000,000.00; FIXING THEIR FORM AND SPECIFICATIONS; DIRECTING THEIR EXECUTION AND DELIVERY; PROVIDING FOR THEIR PAYMENT; AND ESTABLISHING A PRICING COMMITTEE.

Resolution 2022-33

City Administrator/City Attorney Jones stated at the last meeting, the council approved the proposal prepared by Bolton & Menk for professional services to prepare design and bid specifications for the replacement of the 100LL and Jet A fuel tank system at the airport. This resolution, if approved, accepts the MnDOT grant agreement which helps fund the project.

Motion was made by Schroyer and seconded by Stout to approve Resolution 2022-33. Discussion then followed with Councilmember Smidt asking if tiling around the tanks was ever considered or are the tanks that old. Jones responded that age is a factor and above-ground tanks are the current trend.

Councilmember Delaney stated the council had just approved the engineers to study the project. He requested that the city's airport engineer attend the next council meeting to present his findings to the council. Delaney stated he would like to hear other solutions first before moving forward.

Mayor Koets stated that the motion on the floor is to approve Resolution 2022-33 and said the original motion will either need to be approved or denied.

Motion was made by Schroyer, seconded by Stout and unanimously carried to deny approval of Resolution 2022-33.

Motion was made by Smidt, seconded by Delaney and unanimously carried to table this item until the July 5th meeting.

Approve the Appointment of Erica Volkir to the Community Improvement Commission

Erica Volkir has submitted her letter of interest in serving on the Community Improvement Commission. Council will need to approve the appointment.

Motion was made by Delaney, seconded by Stout and unanimously carried to approve the appointment of Erica Volkir to the Community Improvement Commission.

Approve the Appointment of Erica Volkir to the Planning Commission

Erica Volkir has submitted her letter of interest in serving on the Planning Commission. Council will need to approve the appointment.

Motion was made by Stout, seconded by Schroyer and unanimously carried to approve the appointment of Erica Volkir to the Planning Commission.

Consider Approval of Scott DeZeeuw Conditional Use Permit

City Administrator/City Attorney Jones stated the Planning Commission met on June 8th to consider the Conditional Use Permit application of Scott DeZeeuw. Mr. DeZeeuw is seeking permission to construct a second detached garage on his property at 503 2nd Ave NE. Pipestone City Code, Title 15, Chapter 153.23 allows a second garage with an approved conditional use permit. The Planning Commission is recommending council approve the conditional use permit for Scott DeZeeuw.

Motion was made by Smidt, seconded by Stout and unanimously carried to approve the Conditional Use Permit for Scott DeZeeuw.

Change Meeting Date of Monday, July 4, 2022 to Tuesday, July 5, 2022

Due to the 4th of July holiday, council will need to change the meeting date from Monday, July 4th to Tuesday, July 5th.

Motion was made by Delaney, seconded by Schroyer and unanimously carried to change the meeting date of Monday, July 4th to Tuesday, July 5th due to the 4th of July holiday.

Consider Approval of Dance Permit for Marge Urlick

Marge Urlick is requesting a dance permit to conduct a Christian concert under a tent on the courthouse lawn on Saturday, July 30th from 12:00 p.m. to 12:00 a.m. The county has approved the use of the courthouse lawn. This has been approved in the past.

Motion was made by Delaney, seconded by Smidt and unanimously carried to approve the Dance Permit for Marge Urlick.

New Fire Truck – Chassis Payment

City Administrator/City Attorney Jones stated the city has received the invoice for the chassis payment for the new fire truck. With the Rural Fire portion and Meinder's donation, the city's share is \$120,601.25 which includes an \$11,745.00 discount. Staff is recommending that this be paid from the General Fund.

Motion was made by Smidt, seconded by Delaney and unanimously carried to approve this payment out of the General Fund in the amount of \$120,601.25.

Approve Hot Spot Historic Loan/Grant Program Application

City Administrator/City Attorney Jones stated Amy Balster, owner of the Hot Spot, is requesting a loan/grant to install a new front door, new store front windows and a new overhead door in the back storage area of her building at 223 West Main St. Grant amount requested is \$7,236.25; loan amount - \$7,236.25 with owner equity of \$6,202.50.

Motion was made by Smidt, seconded by Stout and unanimously carried to approve the Historic Loan/Grant application from Amy Balster to install a new front door, new store window and a new overhead door in the back storage area of her building at 223 West Main St.

CLOSING COMMENTS

City Administrator/City Attorney Jones informed residents that the city has started spraying for mosquitos. For more information regarding the spray used, look at the city's website which includes a statement by the CDC. When done correctly, the spray does not harm people, animals or the environment.

ADJOURNMENT

Motion was made by Smidt, seconded by Stout and unanimously carried to adjourn the meeting at 8:14 p.m.

Myron D. Koets
Mayor

ATTEST:

Deb Nelson
City Clerk