

Pipestone, Minnesota
July 5, 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 5th day of July 2022 in person and via Zoom. Acting Mayor Jim Stout called the meeting to order. Roll call was taken and a quorum was declared. Members present: Jim Stout and Rodger Smidt in-person and Myron Koets and Dan Delaney via Zoom. Excused: Justin Schroyer. Absent: None. Others present: Kyle Kuphal, Ann Miller, Muriel Pater, Ann Fredrickson, Joann Weets, Steve Weets, Patt Johnson, Jan Huebner, Elaine Fenicle, Pat Woelber, City Engineer Travis Winter, Steve Moffitt Cable Access Coordinator, 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

City Administrator/City Attorney Jones stated he would like to amend the agenda to include Item A-2 under Engineering “Change Order No. 3” and Item G under New Business “Commercial Demolition Program Application from Pipestone Development Company, LLC”.

Motion was made by Smidt and seconded by Stout to approve the agenda as amended with the inclusion of Item A-2 under Engineering “Change Order No. 3” and Item G “Commercial Demolition Program Application from Pipestone Development Company, LLC” under New Business. Upon roll call vote; Ayes: Koets, Stout, Smidt, Delaney; Nays: none, motion carried 4-0.

CONSENT AGENDA

Mayor Koets stated the Consent Agenda contains the June 20, 2022 Special Meeting Minutes; June 20, 2022 Regular Meeting Minutes and Payment of Claims-Listing of Bills and asked if there was any discussion regarding these items.

Motion was made by Stout and seconded by Smidt to approve the Consent Agenda which consisted of the June 20, 2022 Special Meeting Minutes; June 20, 2022 Regular Meeting Minutes and Payment of Claims-Listing of Bills in the amount of \$1,002,015.22 for warrants #067015 to #067117 to be issued in payment thereof. Upon roll call vote; Ayes: Koets, Stout, Smidt, Delaney; Nays: none, motion carried 4-0.

COMMUNITY CONCERNS

None.

ENGINEERING

Water Treatment Facility Improvements Project – Pay Request No. 29

City Administrator/City Attorney Jones stated KHC Construction has submitted Pay Request No. 29 in the amount of \$27,469.15 for work completed on the Water Treatment Facility Improvements Project. This dollar amount represents outstanding punch list items and warranty work. Bolton & Menk has reviewed the pay request and is recommending council approval. City Engineer Winter stated this would close out the project.

Motion was made by Smidt and seconded by Stout to approve Pay Request No. 29 in the amount of \$27,469.15 for work completed on the Water Treatment Facility Improvements Project. Upon roll call vote; Ayes: Koets, Stout, Smidt, Delaney; Nays: none, motion carried 4-0.

Water Treatment Facility Improvements Project – Change Order No. 3

City Administrator/City Attorney Jones stated Change Order No. 3 was presented shortly before the meeting began and was therefore not emailed to councilmembers attending the meeting via Zoom. He shared KHC Construction submitted Change Order No. 3 for the Water Treatment Facility Improvements Project. After the first major annual maintenance and cleaning efforts, staff requested additional alarms and a flow meter be added to the lime sludge pump discharge line along with adding temperature and flood switches to lime and soda ash silos. The change order represents these additions which increases the contract price by \$27,469.15.

Councilmember Delaney stated since the change order wasn't received in time for council to view it, he would like to table this item until the next meeting.

Motion was made by Delaney, and seconded by Stout to table Change Order No. 3 for the Water Treatment Improvements Project until the July 18th meeting. Upon roll call vote; Ayes: Koets, Stout, Smidt, Delaney; Nays: none, motion carried 4-0.

2nd Street SE Street & Utility Improvements Project – Pay Request No. 6

City Engineer Winter stated Duinick, Inc. submitted Pay Request No. 6 in the amount of \$119,841.34 for additional seeding and reconciling additional quantities with the contractor on the 2nd Street SE Street & Utility Improvements Project. Bolton & Menk has reviewed the pay request and is recommending council approval. Winter stated there will be one more pay request after this one which will close out the project.

Motion was made by Delaney and seconded by Smidt to approve Pay Request No. 6 in the amount of \$119,841.34 to Duinick, Inc. for work completed on the 2nd Street SE Street & Utility Improvements Project. Upon roll call vote; Ayes: Koets, Stout, Smidt, Delaney; Nays: none, motion carried 4-0.

2022 Street & Utility Improvements Project – Pay Request No. 1

City Administrator/City Attorney Jones stated Hulstein Excavating, Inc. has submitted Pay Request No. 1 in the amount of \$512,380.02 for work completed on the 2022 Street & Utility

Improvements Project. Bolton & Menk has reviewed the pay request and is recommending council approval.

Councilmember Delaney asked which engineer was on the project and who is working with the contractor to make sure the contractor is performing satisfactory work.

City Engineer Winter stated Dustin Meyer is on site every day and Winter is on site a couple of times a week. He shared Dustin was also the engineer on site during the 5th Ave project.

Motion was made by Stout and seconded by Smidt to approve Pay Request No. 1 in the amount of \$512,380.02 to Hulstein Excavating, Inc. for work completed on the 2022 Street & Utility Improvements Project. Upon roll call vote; Ayes: Koets, Stout, Smidt, Delaney; Nays: none, motion carried 4-0.

OLD BUSINESS

Pickleball Courts

Robert Petersen, Recreation Director, then gave a presentation to the council regarding the possible renovation of the tennis courts at Harmon Park into Pickleball courts. He said there are 24 ladies that play Pickleball daily out at the tennis courts at the school. He stated Pickleball is a fast-growing sport and he feels Harmon Park would be a good location for the Pickleball courts as there is little to no activity on the tennis courts at this time. The tennis courts could easily be renovated into ten Pickleball courts. He has been working with Bolton & Menk on cost estimates for three different scenarios:

- Tier I - \$25,000.00 – New acrylic resurfacing, striping, and portable net and post system (keeping existing tennis nets/footings).
- Tier II - \$80,000.00 – New asphalt resurfacing, new acrylic resurfacing, striping, and permanent net and post system.
- Tier III - \$90,000.00 – New asphalt resurfacing, new acrylic resurfacing, striping, permanent net and post system and 6' interior fence between courts with two interior gates.

Councilmember Smidt asked if the work to remove the sports courts and removal of the existing asphalt surface could be done by the Public Works Department with Petersen responding that would be a question for Public Works Director Mike Bloemendaal.

Councilmember Delaney asked how the Pipestone Area Foundation felt about the renovation. Petersen responded that they just want Harmon courts to be used. They are not getting used like the Foundation wanted.

Mayor Koets asked how this project could be funded. More specifically if anyone had stepped up and offered donations to assist with the project. Petersen stated he has received several calls from possible donors.

Councilmember Delaney stated he would like Petersen to bring his proposal to the Park and Recreation Board to get their recommendation to the council. He feels this is the proper procedure to take.

Ann Miller, 809 3rd Ave SW, then shared statistics regarding the popularity of Pickleball.

Patt Johnson, 227 Ridgeview Estates, shared that this is a sport from the young to the old and encouraged the council to go ahead with the project for future generations and for the community.

Ann Fredrickson, 300 11th St SW, shared she has recently moved to the Pipestone community and has joined Pickleball. In previous communities she has lived in, the tennis courts were removed and replaced with Pickleball courts.

It was the consensus of the council to have Petersen present his options to the Park and Recreation Board for their recommendation.

Carnegie Library Building

City Administrator/City Attorney Jones reminded the council that at a previous meeting, it was found the Minnesota Management and Budget Office would not sign off on the sale should the council add a right of reverter to the agreement. Jones said he has heard back from the city's attorney who prepared proposed covenants, conditions and restrictions that could be added to the deed should the sale take place. Jones highlighted the following from the proposed covenants, conditions and restrictions:

- Article I, Section 1. Cost of Continued Maintenance and Repair. Grantee shall assume, undertake, and pay for all of the cost of the continued maintenance and repair of the Property so as to preserve the architectural, historical, or archaeological integrity of the Property in order to protect and enhance those qualities that made the Library eligible for listing on the *National Register of Historic Places*.
- Article II, Section 3. Enforcement. In addition, Grantor shall be entitled to be awarded injunctive relief without the necessity of posting security. In the event of any litigation to enforce or restrain violation or interpret the terms hereof, the court shall have the authority to award costs and reasonable attorneys' fees to the Grantor.

Councilmember Delaney stated he felt decisions are being made to quickly and he feels the council should at least try to salvage the building. He is not in favor of selling the building at this time and felt the council should hold off for at least one year and see if any funding can be found to assist the city in making the necessary repairs that are needed.

City Administrator/City Attorney Jones reminded the council that they had already approved the sale of the building.

Mayor Koets stated that the council would have to start budgeting money \$300,000 to \$400,000 to rebuild the building which would increase the city's debt load and levy. He said the council had just held a work session prior to the meeting to discuss the budget and the councilmembers felt they should start looking at ways to reduce the budget not increase it.

Public Library Agreement

City Administrator/City Attorney Jones stated he had heard from several individuals about the School Board's response to the city's action rejecting the proposed June 8, 2022 Library Agreement asking if the city was going to respond.

Jones stated that councilmembers Delaney and Schroyer were very clear on why they recommended the council not approve the proposed Agreement and that he had pointed out that provisions in the proposal were contrary to City Code and Ordinance. He pointed out that the court's decision was quite clear that the Library Board had the authority to hire and fire in the 1993 Agreement and this was the city's position as well.

Councilmember Delaney stated he is not trying to villainize anyone. Everyone is acting in the best interests of the school and city. He would like to see City Administrator/City Attorney Jones prepare a draft proposal and present it to the city council who will then review it and have it presented to the School Board.

Motion was made by Delaney and seconded by Stout to have staff prepare a proposal and submit it to the council as soon as possible and after council review, submit it to the School Board. Upon roll call vote; Ayes: Koets, Stout, Smidt, Delaney; Nays: none, motion carried 4-0.

Tax-Forfeited Property

City Administrator/City Attorney Jones stated this item was tabled at the June 20th meeting to consider authorized public uses. He said that he understands that the parcels in question are the two parcels that make up the old Central School. Jones reminded the council that there are three options for the council to consider:

- Acquire the parcel for free and implement an authorized public use (example – parking garage);
- 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.

Jones said the county will determine the sale price for the property on July 29th and asked the council what do they wish to do.

Councilmember Delaney stated he feels it should be used for economic development or use for residential use.

Councilmember Smidt asked why not let it go to private individuals and let them develop it.

Delaney said the county has received offers and refuses to move forward.

Smidt asked what was the city supposed to do, buy it and resell? He stated he felt the city should stay out of it and let it evolve.

Motion was made by Smidt and seconded by Stout to inform the county the city is not interested in the school property at this time.

Councilmember Delaney lost connection with Zoom and dropped from the meeting at 7:50 p.m.

Upon roll call vote; Ayes: Koets, Stout, Smidt; Nays: none, motion carried 3-0.

NEW BUSINESS

Resolution 2022-34

City Administrator/City Attorney Jones stated one bid was received for the 2022 Seal Coat Project bid opening on June 6th in the amount of \$119,938.54 from Asphalt Surface Technologies Corp (ASTECH) of St. Cloud MN. Engineer's estimate was \$171,621.70 which is \$51,683.16 below the engineer's estimate. City Engineer Travis Winter has reviewed the bid and is recommending council proceed with the project and award the contract to Asphalt Surface Technologies Corp. (ASTECH). This resolution accepts the bid from ASTECH.

Motion was made by Smidt and seconded by Stout to approve Resolution 2022-34: A RESOLUTION ACCEPTING BID.

Councilmember Delaney arrived back at the meeting via Zoom at 7:52 p.m.

Upon roll call vote; Ayes: Koets, Stout, Smidt; Nays: none; Abstain: Delaney, motion carried 3-0-1.

Resolution 2022-35

City Administrator/City Attorney Jones stated the city has received the second American Rescue Plan payment of \$221,077.96. The League of MN Cities is recommending that cities adopt this resolution accepting the payment.

Motion was made by Smidt and seconded by Stout to approve Resolution 2022-35: A RESOLUTION TO ACCEPT THE REDISTRIBUTION OF UNREQUESTED CORONAVIRUS LOCAL FISCAL RECOVERY FUND ESTABLISHED UNDER THE AMERICAN RESCUE PLAN ACT. Upon roll call vote; Ayes: Koets, Stout, Smidt, Delaney; Nays: none, motion carried 4-0.

Resolution 2022-36

This resolution appoints election judges for the Primary Election on August 9, 2022 and the General Election on November 8, 2022.

Motion was made by Delaney and seconded by Smidt to approve Resolution 2022-35: A RESOLUTION APPOINTING ELECTION JUDGES FOR THE PRIMARY ELECTION OF AUGUST 9, 2022 AND THE GENERAL ELECTION OF NOVEMBER 8, 2022. Upon roll call vote; Ayes: Koets, Stout, Smidt, Delaney; Nays: none, motion carried 4-0.

Resolution 2022-37

City Administrator/City Attorney Jones stated a donation in the amount of \$300.00 has been received from Wayne Cassidy, Michael Cook and Dan Leonard of Peregrine Engineering

Consulting to assist the city with planting trees at the Pipestone cemetery in memory of Adam D. Hills. The resolution accepts the donation.

Motion was made by Stout and seconded by Smidt to approve Resolution 2022-37: A RESOLUTION ACCEPTING DONATION. Upon roll call vote; Ayes: Koets, Stout, Smidt, Delaney; Nays: none, motion carried 4-0.

Schedule Public Hearing for Fiscal Year 2023 Budget

City Administrator/City Attorney Jones stated part of the budget process is to conduct a public hearing to solicit public comment regarding the 2023 budget. Staff is recommending council schedule the public hearing for Monday, July 18, 2022 at approximately 6:30 p.m. in the Municipal Building.

Motion was made by Delaney and seconded by Stout to schedule the public hearing to solicit public comment regarding the 2023 budget for Monday, July 18, 2022 at approximately 6:30 p.m. in the Municipal Building. Upon roll call vote; Ayes: Koets, Stout, Smidt, Delaney; Nays: none, motion carried 4-0.

Approve Appointment of Dave Andres to the Human Rights Commission

City Administrator/City Attorney Jones shared that Dave Andres has expressed his interest in serving on the Human Rights Commission. Council will need to approve this appointment.

Motion was made Stout and seconded by Smidt to approve the appointment of Dave Andres to the Human Rights Commission. Upon roll call vote; Ayes: Koets, Stout, Smidt, Delaney; Nays: none, motion carried 4-0.

Commercial Demolition Program Application

City Administrator/City Attorney Jones stated an application for the Commercial Demolition Program has been received from Pipestone Development Company, LLC for the removal of old footings and excess concrete to build a pad for future expansion of the building located at 309 4th St NW. Jeremy Whipple has submitted an estimate in the amount of \$10,625.00 from Double D Gravel for the removal and disposal of the concrete footings. Jones reminded the council that the grant would pay for 50% of the cost of the removal and disposal.

Motion was made by Stout and seconded by Smidt to approve the Commercial Demolition Program application to Pipestone Development Company, LLC for removal and disposal of concrete footings at 309 4th St NW. Upon roll call vote; Ayes: Koets, Stout, Smidt, Delaney; Nays: none, motion carried 4-0.

CLOSING COMMENTS

City Administrator/City Attorney Jones shared the CGMC held a panel discussion on the lack of workforce housing in communities and how to encourage new housing projects in Greater Minnesota at the LMC Annual Conference in Duluth. He stated the key message from all panelists was that local government, the state, and local employers need to make every tool available for our communities to tackle the housing shortage. Local Governments must look at how best to use

tools like TIF and abatement. There also is an emerging role for local employers to get involved in the effort and a growing capacity for private sector engagement and innovation. Mayor Koets thanked the listening audience for bearing with his appearance via Zoom as he has COVID and under quarantine.

Councilmember Delaney apologized for having to meet via Zoom as well. He was not sick but was not in town and assured residents he would be back in-person at the next meeting.

ADJOURNMENT

Motion was made by Stout and seconded Smidt to adjourn the meeting at 8:01 p.m. Upon roll call vote; Ayes: Koets, Stout, Smidt, Delaney; Nays: none, motion carried 4-0.

Myron D. Koets
Mayor

ATTEST:

Deb Nelson
City Clerk