

Pipestone, Minnesota  
August 1, 2022

Pursuant to due call and notice thereof, a regular meeting of the Pipestone City Council was duly held in-person and via Zoom in the Municipal Building at 6:30 p.m. on the 1<sup>st</sup> day of August 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 via Zoom, Dan Delaney and Justin Schroyer. Absent: None. Others present: Kyle Kuphal, Jeremy Whipple, Marty Siefert, City Engineer Travis Winter via Zoom, 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 Stout and seconded by Delaney to approve the agenda as presented. Upon roll call vote; Ayes: Koets, Stout, Smidt, Delaney, Schroyer; Nays: none, motion carried 5-0.

**CONSENT AGENDA**

Mayor Koets stated the Consent Agenda contains the July 18, 2022 Regular Meeting Minutes; July 22, 2022 Special Meeting Minutes; and Payment of Claims-Listing of Bills and asked if there was any discussion regarding these items.

Motion was made by Delaney and seconded by Stout to approve the Consent Agenda which consisted of the July 18, 2022 Regular Meeting Minutes; July 22, 2022 Special Meeting Minutes; and Payment of Claims-Listing of Bills in the amount of \$335,285.05 for warrants #067229 to #067313 to be issued in payment thereof. Upon roll call vote; Ayes: Koets, Stout, Smidt, Delaney, Schroyer; Nays: none, motion carried 5-0.

**COMMUNITY CONCERNS**

None.

**BID OPENING**

**11<sup>th</sup> Street NE Extension – 2022 Improvements**

City Engineer Travis Winter explained that electronic bids were received until 6:30 p.m. and then proceeded to open bids. Two bids were received as follows:

<b>BIDDER</b>	<b>BID</b>
Double D Gravel 611 4 <sup>th</sup> St NE	\$149,594.84

PO Box 400 Pipestone MN 56164 507-825-5552	
Duininck, Inc. 408 6 <sup>th</sup> St Prinsburg MN 56281 320-978-6011	\$157,930.00

Winter will review the bids and bring Bolton & Menk's recommendation to the council at the August 15<sup>th</sup> meeting.

**PRESENTATION**

Marty Siefert – Coalition of Greater Minnesota Cities

Marty Siefert with the Coalition of Greater Minnesota Cities the presented outcome from the last legislative session. Mr. Siefert stated the session didn't end as well as the Coalition would have liked and then highlighted what the CGMC goals were and the final outcome:

- Update LGA formula with a \$90M appropriation increase – tax bill agreement did not make it to the floor.
- \$299M in bonding and \$80M from general fund for Public Facilities Authority Water Infrastructure Programs – no bonding bill.
- \$30M per year for 10 years for lead line replacement and \$10M for grants for inventory and mapping of lead lines – no health and human services bill.
- \$10M in bonding and \$10M in general fund for child care facilities grant program – no bonding bill.
- \$5M for DEED child care grant program for training and business development – Jobs bill agreement did not make it to the floor.
- At least \$100M for Broadband - \$210M (\$50M in state funding, \$160M in federal) – tucked into Ag bill so was passed.
- \$20M in bonding for Greater MN Business Development Public Infrastructure Program – no bonding bill.
- \$5M for housing – Greater MN Fix-Up Fund – no bonding bill.
- \$2.5M in bonding for housing – Greater Minnesota Housing Public Infrastructure Grant Program – no bonding bill.
- \$10M housing – Greater MN Workforce Development Fund – Jobs bill agreement did not make it to the floor.
- At least \$25M per year increase – Larger city streets (populations over 5,000) – no transportation bill.
- At \$25M per year dedicated and on-going – Small city streets (populations under 5,000) – no transportation bill.
- At least \$200M per year with project selection changes to improve regional balance for Corridors of Commerce – no transportation bill.

The City of Pipestone will receive \$2,371,750 in LGA funds which is an increase of \$37,431 compared to 2021.

Mayor Koets then asked what were the chances of there being a special session if enough people requested one with Mr. Siefert responding that he felt chances were pretty slim.

City Administrator/City Attorney Jones stated the council would be considering an ordinance to provide for a moratorium on the sale of hemp derived THC food and beverages in the city and asked what the Coalition's views were on the subject. Mr. Siefert stated the Coalition is in favor of leaving the decision with the cities to protect local control.

## **LEGAL**

### **Ordinance 137, Fourth Series**

City Administrator/City Attorney Jones stated the Minnesota legislature recently approved the sale of edible cannabinoid products in Minnesota. At present, any business can sell edible cannabinoids such as gas stations, grocery stores, coffee shops, vending machines, etc. Many Minnesota cities are enacting moratoriums to give the League of MN Cities time to provide additional guidance on this new law regarding licensing, rules and regulations and sale management controls for the sale of these products. Jones explained that the ordinance states that for a period of one year from the effective date of the ordinance, no sale of cannabinoids would be allowed in the City of Pipestone.

Councilmember Delaney introduced Ordinance 137, Fourth Series: AN ORDINANCE PROVIDING A MORATORIUM ON THE SALE OF HEMP DERIVED THC (TETRAHYDROCANNABINOLS) FOOD AND BEVERAGES IN THE CITY OF PIPESTONE, MINNESOTA.

Delaney shared the city is not prepared and we need to prepare in a fashion that is safe for people of all ages.

## **ENGINEERING**

### **2022 Street & Utility Improvements Project – Pay Request No. 2**

City Administrator/City Attorney Jones stated Hulstein Excavating, Inc. has Pay Request No. 2 in the amount of \$842,482.64 for work completed on the 2022 Street & Utility Improvements Project. Bolton & Menk has reviewed the pay request and is recommending council approval.

Motion was made by Schroyer and seconded by Delaney to approve Pay Request No. 2 in the amount of \$842,482.64 to Hulstein Excavating, Inc. for work completed on the 2022 Street & Utility Improvements Project. Upon roll call vote; Ayes: Koets, Stout, Smidt, Delaney, Schroyer; Nays: none, motion carried 5-0.

Winter then updated the council on the various projects as follows:

- The 2022 Street & Utility project is progressing very well. All work was completed on 3<sup>rd</sup> Ave. Paving will be completed soon on 4<sup>th</sup> St and sanitary sewer work on 4<sup>th</sup> Ave continues to progress.
- Removals have begun on the 10<sup>th</sup> St and 4<sup>th</sup> Ave project today and the contractor will begin utility work next week. Project is anticipated to be complete by October.

## **OLD BUSINESS**

### **Carnegie Library**

City Administrator/City Attorney Jones shared that at the last meeting, the council had approved adding the Restrictive Covenants to the sale provisions of the Carnegie Library. The legal counsel that is working with the city has prepared the documents and the next item on the agenda would be a resolution approving the bids documents and order advertisement for bids for the Carnegie library building.

Jones also mentioned that the Minnesota Management and Budget Board do need to review any revisions to any of the documents regarding the sale and if the bids come in too low, MMB most likely wouldn't sign off on the sale.

## **NEW BUSINESS**

### **Resolution 2022-40**

City Administrator/City Attorney Jones stated this resolution, if approved, approves the bid documents for the sale of the Carnegie Library building and orders advertisement for bids.

Mayor Koets called for a motion to approve Resolution 2022-40: A RESOLUTION APPROVING BID DOCUMENTS AND ORDERING ADVERTISEMENT FOR BIDS FOR THE PIPESTONE LIBRARY, A CARNEGIE LIBRARY three times.

Resolution 2022-40 failed for lack of a motion.

### **Resolution 2022-41**

City Administrator/City Attorney Jones stated that when the council came in tonight, there was a new version of Resolution 2022-41. This relates to financing the last payment for the new fire truck that is coming this Fall. There is a language change in the first "WHEREAS" paragraph. When Ehlers & Associates drafted the resolution, they thought we were paying off the old fire truck lease and were not aware of the new fire truck. Jones stated he had revised the resolution to state pay-off the new 2022 fire truck.

Motion was made by Smidt and seconded by Delaney to approve Resolution 2022-41: A RESOLUTION PROVIDING FOR THE SALE OF \$313,000.00 GENERAL OBLIGATION EQUIPMENT CERTIFICATES, SERIES 2022B. Upon roll call vote; Ayes: Koets, Stout, Smidt, Delaney, Schroyer; Nays: none, motion carried 5-0.

### **Resolution 2022-42**

Several donations have been received to assist the city with the "Lights at the Lodge" at the Hiawatha Pageant Park and the overlaying of the basketball court at Leon H. Moore Park from Fuller Paving. This resolution accepts the donations.

Motion was made by Stout and seconded by Delaney to approve Resolution 2022-42: A RESOLUTION ACCEPTING DONATIONS. Upon roll call vote; Ayes: Koets, Stout, Smidt, Delaney, Schroyer; Nays: none, motion carried 5-0.

Councilmember Delaney requested that the donors' names be read into record.

Lights at the Lodge Donors

Greg's Welding, Inc.	-	\$100.00
W.M. Plumbing & Heating, LLC	-	\$150.00
Pepsi Cola Bottling Co.	-	\$250.00
Jimmy L & Joyce Carstensen	-	\$100.00
O'Neill O'Neill & Barduson	-	\$100.00
Dr. Douglas J. Vermeer	-	\$100.00
Double D Gravel, Inc.	-	\$200.00
Quist Plumbing & Heating, Inc.	-	\$100.00
Fishback Financial Corp./First Bank & Trust-		\$500.00
Russ Legler, Inc./Russ & Loann Legler	-	\$250.00
Hartquist Funeral Homes, Inc.	-	\$150.00
Fuller Paving	-	\$500.00

Paving Basketball Court

Fuller Paving	-	\$7,200.00
---------------	---	------------

Consider Approval of Michael and Mariah Swanson as Resident Managers at the Pipestone Country Club

Michael and Mariah Swanson have been hired as the new Resident Managers at the Pipestone Country Club. Council approval is needed in regards to the liquor license at the Country Club.

Motion was made by Delaney to approve Michael and Mariah as the new resident managers and expressed he knew them and felt they would be good managers at the Country Club.

Mayor Koets asked if the Sheriff's investigations have been conducted with City Clerk Nelson responding that she had sent them to the Sheriff last week but as of tonight's meeting, hadn't received them yet. Nelson recommends council approve Michael and Mariah as the new resident managers at the country club contingent upon successful background investigations.

Delaney amended his original motion to say "approve Michael and Mariah Swanson as the new resident managers at the Country Club contingent upon successful background checks." Motion was seconded by Stout and upon roll call vote; Ayes: Koets, Stout, Smidt, Delaney, Schroyer; Nays: none, motion carried 5-0.

Pipestone Development Company, LLC Request for Historic Loan/Grant

City Administrator/City Attorney Jones stated that Pipestone Development Company is requesting an Historic Loan/Grant to remodel the main floor into offices and remodel the second floor into two 2-bedroom apartments at 111 West Main. Loan amount requested is \$21,000.00; grant amount of \$11,000.00 and owner equity of \$68,000.00. Current approved loan/grants have exhausted the current blight funds allocated. Staff is requesting an additional \$50,000.00. Jones said the council

had just sat in on the 2021 Audit review with the city's accountant and shared that the General Fund exceeds the State's recommended minimum balance so the funds could be used from either the General Fund or the Liquor Store Fund.

Mayor Koets stated the council should take action on the loan/grant application first and then take action on the requested additional funds in the blight account.

Motion was made by Stout and seconded by Schroyer to approve the Historic Loan/Grant application from Pipestone Development Company, LLC for a loan amount of \$21,000.00 and grant amount of \$11,000.00. Upon roll call vote; Ayes: Koets, Stout, Smidt, Delaney, Schroyer; Nays: none, motion carried 5-0.

Motion was made by Delaney to approve the addition of \$25,000.00 to the Blight Fund and taking the funds from the General Fund.

Mayor Koets called for a second to the motion three times. Motion failed for lack of a second.

Motion was made by Stout and seconded by Schroyer to approve the addition of \$50,000.00 to the Blight Fund taking \$25,000.00 from the General Fund and the other \$25,000.00 from the Liquor Store Fund. Upon roll call vote; Ayes: Koets, Stout, Smidt, Schroyer; Nays: Delaney, motion carried 4-1.

Jeremy Whipple, Pipestone Development Company President, addressed the council thanking them for working with PDC on helping improve housing and filling Main Street with retail businesses.

#### Declaration of Surplus Property

City Administrator/City Attorney Jones stated the Fire Department is requesting council to declare the rural fire truck and ERV as surplus property and authorize advertising for bids. The new fire truck will replace both of these vehicles.

Motion was made by Stout and seconded by Schroyer to approve declaring the rural fire truck and ERV as surplus property and authorize advertising for bids. Upon roll call vote; Ayes: Koets, Stout, Smidt, Delaney, Schroyer; Nays: none, motion carried 5-0.

#### CLOSING COMMENTS

City Administrator/City Attorney Jones shared:

- A special council meeting was held last Friday for council to review and approve the proposed Library Agreement prepared by Jones. He submitted the proposed agreement to Kevin Enerson who chose not to put the agreement on the School Board's agenda. He is unsure if the School Board will hold a special meeting or wait for the August meeting to review it.
- A budget session will be scheduled for Monday, August 15<sup>th</sup>. He and Kasi have met with Department Heads and a preliminary draft of the budget will be ready for council review at that time.

- The county has agreed to sell the strip of land to the north of 622 3<sup>rd</sup> Ave SW to the city for \$1.00.

Mayor Koets shared the city will be required to map the lead lines in the city by 2024. He stated he has testified twice before the legislature in support of setting aside funds for grants for lead line mapping and replacements in cities. There are approximately 135-300 lead line services in the City of Pipestone.

Councilmember Delaney reminded residents that there is a primary election for the office of Mayor in the city which he believes hasn't happened since the 70s and encouraged everyone to get out and exercise their right to vote.

### **ADJOURNMENT**

Motion was made by Stout and seconded by Schroyer to adjourn the meeting at 7:20 p.m. Upon roll call vote; Ayes: Koets, Stout, Smidt, Delaney, Schroyer; Nays: none, motion carried 5-0.

---

Myron D. Koets  
Mayor

ATTEST:

---

Deb Nelson  
City Clerk