

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 6th day of September 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, Verdeen Colbeck, City Engineer Travis Winter, 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 Smidt, seconded by Stout and unanimously carried to approve the agenda as presented.

CONSENT AGENDA

Mayor Koets stated the Consent Agenda contains the August 15, 2022 Special Meeting Minutes; August 15, 2022 Special Meeting Minutes; August 15, 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 Delaney, seconded by Schroyer and unanimously carried to approve the Consent Agenda which consisted of the August 15, 2022 Special Meeting Minutes; August 15, 2022 Special Meeting Minutes; August 15, 2022 Regular Meeting Minutes; and Payment of Claims-Listing of Bills in the amount of \$1,362,846.44 for warrants #067450 to #067617 to be issued in payment thereof.

COMMUNITY CONCERNS

None.

BID OPENING

Surplus Property

City Administrator/City Attorney Jones stated sealed bids were received until 5:00 p.m. this evening for one 1995 International Rural Fire Truck and one 1999 International ERV. The following bids were received:

<u>BIDDER</u>	<u>1995 INTERNATIONAL FIRE TRUCK</u>	<u>1999 INTERNATIONAL ERV</u>
Paul Erickson 366 231 st St Balaton MN 56115 507-828-2371		\$10,500.00

Danny Peschon 1320 111 th St Woodstock MN 56186 507-215-0343	\$1,002.00	\$802.00
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City Administrator/City Attorney Jones recommended to the council to defer the bids to the Fire Department for their review and recommendation.

Motion was made Schroyer, seconded by Stout and unanimously carried to defer the bids to the Fire Department for their review and recommendation.

ENGINEERING

2022 Street & Utility Improvements Project – Pay Request No. 3

City Administrator/City Attorney Jones stated pay request No. 3 has been received from Hulstein Excavating, Inc. in the amount of \$1,146,652.59 for work completed on the 2022 Street & Utility Improvements project. Bolton & Menk has reviewed the pay request and is recommending council approval.

Councilmember Delaney stated he was aware of some issues with some sidewalk on the project and asked if it was being taken care of.

City Engineer Winter responded that there was a misalignment for a short segment of sidewalk on 3rd Avenue and the contractor has corrected it to the satisfaction of the city engineers.

Motion was made by Delaney, seconded by Stout and unanimously carried to approve Pay Request No. 3 in the amount of \$1,146,652.59 for work completed on the 2022 Street & Utility Improvements project.

10th Street SW & 4th Street SE Improvements – 2022 – Pay Request No. 1

City Administrator/City Attorney Jones stated that Duininck, Inc. has submitted Pay Request No. 1 in the amount of \$203,967.37 for work completed on the 10th St SW and 4th St SE project. Bolton & Menk has reviewed the pay request and is recommending council approval.

Councilmember Delaney stated there were some delays to the project and asked if the contractor is on-track for completing the project on time.

City Engineer Winter shared the delays were due to the relocation of a power pole and a VAST cable box. The contractor will be back at the end of the week and will be able to still complete the project on time.

Motion was made by Schroyer, seconded by Smidt and unanimously carried to approve Pay Request No. 1 in the amount of \$203,967.37 for work completed on the 10th St SW and 4th St SE improvements.

Winter then updated the council on the projects throughout the city:

- 10th St SW & 4th St SE project – majority of the utility work is completed and the contractor will be back on site by September 10th.
- Street & Utility Improvements project – sewer, water and sidewalks are all done; there is one segment of storm sewer left to finish and once that is done, the contractor can pave the last six blocks.
- 11th St NE project – Double D will be starting the project within the next couple of weeks.

OLD BUSINESS

Library Agreement

City Administrator/City Attorney Jones stated that the School Board had rejected the city's proposed Library Agreement at their August 22nd meeting. They stated in a letter received by the city that they are interested in working toward an agreement and would like another meeting between the negotiations' teams.

Councilmember Delaney stated he didn't think it would be a bad thing to have another meeting as he has questions that he feels the School Board should answer.

Councilmember Smidt shared he understood that one of the School Board's issues was who has the control in hiring library staff and asked if this issue was ever discussed during negotiations with Delaney responding that it was. Smidt then asked what was the School Board's answer and Delaney stated the School Board said it was a deal ending scenario.

Mayor Koets stated that if you looked at the paperwork the School Board submitted to the city with their counter proposals, every one of them said "school library." They were negotiating a school library with public access which does not meet the definition of a community library. If you're going to have a community library, by state statute, the library board hires and fires the community library staff. Koets continued that the city has two interpretations of that, one from the School Board's lawsuit and the second from the Department of Education.

Motion was made by Schroyer and seconded by Stout to cease negotiations with the School Board. Upon roll call vote; Ayes: Koets, Stout, Schroyer; Nays: Smidt, Delaney, motion carried 3-2.

NEW BUSINESS

2023 Budget

City Administrator/City Attorney Jones shared the council had met earlier in a work session to discuss the budget. He said it is going to be a difficult year due to inflation. The preliminary levy is due to the county by September 30th with the final levy due December 30th. Jones reminded the council that once the preliminary levy is set, the final levy can only be reduced. Another work session will be held before the September 19th council meeting.

Schedule Monday, December 5, 2022 at 6:30 p.m. for the Truth in Taxation Public Meeting

City Administrator/City Attorney Jones stated council will need to schedule Monday, December 5th at approximately 6:30 p.m. to conduct their Truth in Taxation public meeting to allow public

input on the budget. The final levy is due to the county by December 30th. If a continuation meeting is necessary, it will be decided after the public meeting.

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

Mayor Koets then read the following statement into record:

“The Pipestone City Council will discuss the 2023 budget and levy on December 5th and December 19th at 6:30 p.m. in the Council Chambers at 119 2nd Ave SW, Pipestone, Minnesota. The council will set the final 2023 budget and levy at 6:30 p.m. on December 19th in the Council Chambers. Anyone having questions regarding the 2023 budget and levy should contact Jeff Jones at 507-825-3324. Written comments should be sent to 119 2nd Ave SW, Pipestone MN 56164.”

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

Council will need to schedule October 19, 2022 at approximately 6:30 p.m. as the date for the public hearing for unpaid municipal services and/or municipal utilities. This is done annually.

Motion was made by Smidt, seconded by Stout and unanimously carried to schedule October 19, 2022 at approximately 6:30 p.m. for the public hearing for unpaid municipal services and/or municipal utilities.

Set Interest Rate and Term for 2021 Mill & Overlay Improvements Project

City Administrator/City Attorney Jones stated council will need to set the interest rate and term for the 2021 Mill & Overlay Improvement Project assessments. The council has historically set the interest rate slightly higher than the interest rate of the bond to cover administrative costs. The bond interest rate is 1.35%. Since this project consists of one improvement, the term can be set for up to 10 years. The council has set the term on previous mill and overlay projects at 10 years.

Motion was made by Delaney and seconded by Schroyer to set the interest rate at 1.35% with a 10-year term for the 2021 Mill & Overlay Improvements project assessments. Upon vote taken; Ayes: Koets, Smidt, Delaney, Schroyer; Nays: Stout, motion carried 4-1.

Set Interest Rate and Term for 2nd Street SE Street & Utility Improvements Project

City Administrator/City Attorney Jones stated council will need to set the interest rate and term for the 2nd Street SE Street & Utility Improvements Project assessments. The council has historically set the interest rate slightly higher than the interest rate of the bond to cover administrative costs. The bond interest rate is 1.35%. Since this project consists of two or more improvements, the term can be set for up to 10 to 15 years. The council has historically set the term on larger projects at 15 years.

Motion was made by Schroyer, seconded by Stout and unanimously carried to set the interest rate at 1.35% with a 15-year term for the 2nd Street SE Street & Utility Improvements project assessments.

Resolution 2022-47

City Administrator/City Attorney Jones shared a donation has been received from Dave & Marlyce Logan in the amount of \$1,000.00 and one from New Horizon Farms, LLP in the amount of \$500.00 to assist the city with the “Lights at the Lodge”.

Motion was made by Stout, seconded by Smidt and unanimously carried to approve Resolution 2022-47: A RESOLUTION ACCEPTING DONATIONS.

Mayor Koets thanked the numerous individuals and organizations that have donated to the “Lights at the Lodge” at the Hiawatha Pageant Park.

Resolution 2022-48

City Administrator/City Attorney Jones stated this resolution will declare costs to be assessed and preparation of the proposed assessment for the 2021 Mill & Overlay Improvement Project. The interest rate and term were set earlier in the meeting.

Motion was made by Stout, seconded by Smidt and unanimously carried to approve Resolution 2022-48: A RESOLUTION DECLARING COSTS TO BE ASSESSED AND ORDERING PREPARATION OF PROPOSED ASSESSMENT.

Resolution 2022-49

City Administrator/City Attorney Jones stated this resolution will declare costs to be assessed and preparation of the proposed assessment for the 2nd Street SE Street & Utility Improvements Project. The interest rate and term were set earlier in the meeting.

Motion was made by Smidt, seconded by Schroyer and unanimously carried to approve Resolution 2022-49: A RESOLUTION DECLARING COSTS TO BE ASSESSED AND ORDERING PREPARATION OF PROPOSED ASSESSMENT.

Consider Approval of Nancy Guardado Dance Permit

City Administrator/City Attorney Jones stated Nancy Guardado is requesting a dance permit to host a band at her residence at 823 7th Street SW from 7:00 p.m. to 11:00 p.m. on Saturday, September 10, 2022 for her sister’s birthday. The dance permit fee has been received and Ms. Guardado has informed the Sheriff’s Department.

Motion was made by Stout, seconded by Schroyer and unanimously carried to approve the dance permit for Nancy Guardado for Saturday, September 10, 2022 from 7:00 p.m. to 11:00 p.m.

Consider Approval of Pipestone County Historical Society Historic Loan/Grant Request

City Administrator/City Attorney Jones informed the council that Pipestone County Historical Society has submitted an application for a loan/grant to scrape, prime and paint two coats of paint on the exterior window and door trim. Loan amount requested is \$4,200.00; grant amount - \$4,200.00 and owner equity - \$3,600.

Motion was made by Delaney, seconded by Smidt and unanimously carried to approve the Historic Loan/Grant Request from Pipestone Historical Society.

Consider Approval of New Scoreboard at A's Field

City Administrator/City Attorney Jones stated the city has received a request to install a new scoreboard at A's Field at a cost of \$33,891.00. The cost will be covered by donations but since the city owns the park the council must approve the purchase.

Motion was made by Smidt, seconded by Delaney and unanimously carried to approve the request to install a new scoreboard at A's Field at no cost to the city.

Approve Resignation of Dave Kor from the Economic Development Authority

City Administrator/City Attorney Jones shared Dave Kor has submitted his resignation from the EDA effective immediately. Council will need to approve Mr. Kor's resignation.

Motion was made by Stout, seconded by Smidt and unanimously carried to approve the resignation of Dave Kor from the Economic Development Authority.

Approve Acquisition of Tax-Forfeited Property at 622 3rd Ave SW

City Administrator/City Attorney Jones informed the council that as the council requested, the county has agreed to sell the tax-forfeited property located at 622 3rd Ave SW to the city for \$1.00 plus fees of \$73.68. The signs are up on the property and MN West students have already been at the house preparing a floor plan for the project.

Motion was made by Stout, seconded by Smidt and unanimously carried to approve the purchase of the tax-forfeited property orth of 622 3rd Ave SW from the county for \$1.00 plus fees of \$73.68.

Approve Lease for 220 3rd Ave SE

City Administrator/City Attorney Jones stated the council held a special meeting last week to pursue a temporary location to be used for the public library and 220 3rd Ave SE is a property available for lease. There is a mistake in the memorandum where it states \$1,200.00 for rent. The lease distributed earlier tonight states \$1,500.00 per month for along with a \$1,000.00 damage deposit. The lease would be for one year and the city would pay all utilities and is for consideration tonight. Jones said it could be available October 1st if the council wishes.

Motion was made by Stout, seconded by Delaney and unanimously carried to approve the lease for 220 3rd Ave SE to use a temporary location for the public library.

CLOSING COMMENTS

The Fall clean up drop off at the Public Works shop is scheduled for the week of October 3rd. Please watch the newspaper or the city's website for specifics.

EXECUTIVE/CLOSED SESSION

Motion was made by Smidt, seconded by Stout and unanimously carried to close Regular Session to discuss the possible purchase price of Lots 20 & 21, Block 10, Original Plat to the City of Pipestone.

Motion was made by Stout, seconded Smidt and unanimously carried to open Executive/Closed Session.

Motion was made y Stout, seconded by Smidt and unanimously carried to close Executive/Closed Session.

Motion was made by Schroyer, seconded by Stout and unanimously carried to reopen Regular Session.

Mayor Koets directed staff to pursue a Purchase Agreement for Lots 20 & 21, Block 10, Original Plat to the City of Pipestone as discussed in Executive/Closed Session.

ADJOURNMENT

Motion was made by Smidt, seconded by Stout and unanimously carried to adjourn the meeting.

Myron D. Koets
Mayor

ATTEST:

Deb Nelson
City Clerk