

September 14, 2021

The regular meeting of the City Council of the City of Sleepy Eye was held in the Council Chambers, 200 Main Street East, Sleepy Eye, MN and via Zoom at 7:00 p.m. on the 14th day of September, 2021 per due call and notice. Mayor Wayne Pelzel and Councilors Gary Windschitl, Douglas Pelzel, Nathan Stevermer, and Scott Krzmarzick were present. Councilor Christina Andres was absent. Also, present were City Manager Bob Elston, City Attorney Alissa Groen, Public Works Director Mike Hardin, Chief of Police Matt Andres, City Engineer David Palm and City Clerk Michelle Strate.

Chief Andres introduced the two new permanent part-time police officers, Issac Froehlich and Taylor Bolinger.

Councilor Stevermer moved to approve the minutes of the August 10, 2021 Regular Meeting. Councilor Krzmarzick seconded the motion and the motion carried with 4-0 vote.

Councilor Pelzel made a motion to approve Resolution 18-2021.

RESOLUTION #18-2021

ACCEPTING DONATION(S) TO THE CITY

WHEREAS, The City of Sleepy Eye, Minnesota, is generally authorized to accept donations of real and personal property pursuant to Minnesota Statutes Section 465.03 for the benefit of its citizens, and is specifically authorized to accept gifts and bequests for the benefit of the City of Sleepy Eye and its citizens pursuant to Minnesota statutes Section 471.17; and

WHEREAS, The following persons and entities have offered to contribute the cash amounts set forth below to the City of Sleepy Eye for the Sleepy Eye Police Department:

<u>Name of Donor</u>	<u>Amount</u>	<u>For/In Memory of</u>
Sleepy Eye Sportsmen's Club	\$1,000.00	Body Camera

WHEREAS, The City Council finds that it is appropriate to accept the donations offered.
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF SLEEPY EYE, MINNESOTA AS FOLLOWS:

1. The donations described above are accepted and shall be used for the expenses specified by the donor. If no specific expenses are stated, they shall be used for general expenses of the department specified.

I certify that the above resolution was adopted by the City Council of the City of Sleepy Eye on September 14th, 2021.

/s/Wayne Pelzel
Wayne A. Pelzel, Mayor

I hereby certify and attest that the City Council of the City of Sleepy Eye Minnesota, did pass the above Resolution on September 14th, 2021 in accordance with the Charter Provisions and state laws provided therefore.

Dated: September 14th, 2021

/s/Michelle Strate
Michelle Strate, City Clerk

State of Minnesota)
)ss.
County of Brown)

This instrument was acknowledged before me on September 14th, 2021 by Wayne A. Pelzel as Mayor, and by Michelle Strate as City Clerk, of the City of Sleepy Eye, a Municipal Corporation.

Notary Public

Councilor Stevermer seconded the motion and the motion carried 4-0.

Councilor Stevermer made a motion to approve three new firemen to the Sleepy Eye Fire Department, upon passing of their physical and fire training. Kyle Borth, Dylan Wersal and Nick Martinka. Councilor Windschitl seconded the motion and the motion carried 4-0.

Councilor Pelzel made a motion to grant the dance permit for Sleepy Eye Brewing Company for September 25th and waiving the requirement of security per Chief Andres. Councilor Krzmarzick seconded the motion and the motion carried 4-0.

Attorney Groen reported on the following:

A. Councilor Krzmarzick made a motion to approve Resolution 19-2021.

RESOLUTION #19-2021

RESOLUTION AUTHORIZING TERMINATION OF A DEVELOPMENT AGREEMENT
AND AUTHORIZING EXECUTION OF A TERMINATION AGREEMENT

A. WHEREAS, the City of Sleepy Eye, Minnesota (the "City"), and Frontier Labs MN LLC (the "Developer") entered into a Contract for Private Development/Business Subsidy Agreement, dated as of July 15, 2018, and duly recorded in the Office of the County Recorder in and for Brown County, Minnesota, on December 31, 2018, Document No. 418822 (the "Development Agreement"), in connection with the planned construction of a new two-story laboratory and agricultural warehouse facility with associated office space, of approximately 60,000 square feet (the "Project") on the Property (all capitalized terms used but not defined herein are as defined in the Development Agreement) by the Developer; and

B. WHEREAS, pursuant to Section 4.1(a) of the Development Agreement, the City conveyed and transferred the Property to the Developer for a cost of \$1, having estimated the fair market value of the Property to be \$62,500, thereby granting the Developer a business subsidy of \$62,499; and

C. WHEREAS, the Developer failed to construct the Project on the Property no later than August 1, 2021, in substantial accordance with the Development Agreement as required pursuant to Sections 3.1 and 3.3 of the Development Agreement; and

D. WHEREAS, the Developer has agreed to convey and transfer the Property back to the City; and

E. WHEREAS, the Developer and the City have determined to enter into a Termination of Development Agreement (the "Termination Agreement") providing for the termination of the Development Agreement on the date that said Property is conveyed and transferred back to the City; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sleepy Eye, Minnesota, as follows:

1. Pursuant to the terms of Section 6.2 of the Development Agreement, the City hereby terminates and cancels the Development Agreement, effective as of the date that the Developer conveys and transfers the Property back to the City (the "Transfer Date"), and the Developer and the City shall be released from all of their respective duties, obligations and responsibilities under the Development Agreement as of the Transfer Date.

2. The City Council hereby approves the Termination Agreement in substantially the form submitted, and the Mayor and the City Manager are hereby authorized and directed to execute the Termination Agreement on behalf of the City, with such modifications, deletions, and additions thereto as may be necessary and appropriate and approved by the officials of the City authorized by this Resolution to execute the Termination Agreement. The execution of the Termination Agreement by the appropriate officers of the City shall be conclusive evidence of the approval of the Termination Agreement in accordance with the terms hereof.

Councilor Pelzel seconded the motion and the motion carried 4-0.

B. Councilor Stevermer called for First Reading of Ordinance #192 To Replat New Lot 1, Block 1, Snow 5th Addition

City Engineer David Palm reported on the following:

- A. 12th Avenue Project. Partial Pay Estimate #12. Working on small punch list.
- B. 2020 Project. Paving crew is finishing. Partial Pay Estimate #9.
- C. 1st Ave/St. Mary's Street. St. Mary's and 3rd Avenue are completed.
- D. Airport. Signage has been ok'd and can be ordered. No commitment from aeronautics on 3.2 acres of land purchase

City Manager Report

- A. Councilor Windschitl made a motion to approve the preliminary 2022 budget with increase of 5.3%. Councilor Pelzel seconded the motion and the motion carried 4-0.
- B. Councilor Windschitl called for First Reading of Ordinance #193 To Correct Property Lines around Storm Pond at 6th and Birth NE.
- C. A petition was presented to pave the alley behind SE Brewing from east to west. All signatures were obtained but two and SE Brewing to pick up the cost for those two. Councilor Krzmarzick made a motion to approve and Councilor Stevermer seconded the motion and the motion carried 4-0.

Councilor Pelzel made a motion to approve the Police Report and Cash Fund Balances. Councilor Krzmarzick seconded the motion and the motion carried 4-0.

Councilor Stevermer made a motion to approve the payment of bills. Councilor Windschitl seconded the motion and the motion carried 4-0.

There was no other business.

The meeting was properly adjourned at 8:00 p.m.

Wayne Pelzel, Mayor

Michelle Strate, City Clerk