

May 8, 2018

The special meeting of the City Council of the City of Sleepy Eye, Minnesota, acting as the Board of Equalization for the Annual Board of Review was held in the Council Chambers, 200 Main Street East, Sleepy Eye, MN at 6:30 p.m. on the 8<sup>th</sup> day of May 2018 per due call and notice. Mayor Wayne Pelzel called the meeting to order with Councilors Richard Zinniel, Nate Stevermer, Doug Pelzel, Joann Schmidt and Larry Braun in attendance. Also present were City Attorney Alissa Fischer, City Clerk Linda Tiedeken, Anne Grunet, County Assessor and Diane Dunn, Appraiser.

County Assessor Anne Grunet reported that Sleepy Eye had 35 qualified residential sales with a time adjusted state ratio of 95.10%. State Statues stipulates the ratios should be between 90% and 105%. Residential values increased 6.31%. There were 3 qualified commercial sales in Sleepy Eye. Six sales are needed for Sleepy Eye to stand alone. Commercial/Industrial values increased 4.57%.

Charles Windschitl was present to request a reduction in the value of his property at 605 Water Street SW (002.000.054.03.030) because of water issues in the basement. Dunn explained that there is a 10% adjustment on the house since 2000 already and recommended no change. Councilor Pelzel moved to increase the adjustment by 5% making it 15%. Councilor Braun seconded the motion and the motion carried.

David Vosbeck had requested by mail a reduction in the value of his property at 112 Southdale Street SE (002.990.000.02.28) because the house is uninhabitable and plans to demolish the house as soon as possible. Dunn has verified the utilities have been removed as of January 2, 2018 and recommends lowing the building value to \$500, which is salvage value. Councilor Stevermer moved to approve the lowering the building value to \$500. Councilor Schmidt seconded the motion and the motion carried.

Jacquelyn Swenson-Hoffmann was present to request a reduction in the value of her property at 212 Walnut Street SE (002.105.001.20.202) because the kitchen is original, water issues in the basement, small lot size and the adjoining commercial lot. Dunn explained that their records have an updated kitchen in 1990 but the kitchen has original cabinets and appliances. The land value is at a lower rate already because of the adjoining commercial property. Dunn recommended reducing the building age down 10 years for the error in the kitchen remodeling, which would reduce the building value to \$64,208. Councilor Schmidt moved to approve the reduction in the building age by 10 years. Councilor Pelzel seconded the motion and the motion carried.

The Board of Review meeting was not closed at this time and remains open and the regular meeting of the City Council of the City of Sleepy Eye was called to order.

May 8, 2018

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 at 7 p.m. on the 8th day of May 2018 per due call and notice. Mayor Wayne Pelzel and Councilors Richard Zinniel, Nathan Stevermer, Douglas Pelzel, Joann Schmidt and Larry Braun were present. Also present were City Manager

Mark Kober, City Attorney Alissa Fischer, City Engineer Dave Palm, Public Works Director Bob Elston, Police Chief Matt Andres and City Clerk Linda Tiedeken.

Councilor Schmidt moved to approve the minutes of the April 10, 2018 regular meeting. Councilor Zinniel seconded the motion and the motion carried.

Councilor Stevermer moved not to object to the following applications to the MN Gambling Control Board:

8/17/18 Sleepy Eye Chamber of Commerce raffles at Allison's Park (Corn Days)

2/13/19 Sleepy Eye Sportsmen's Club raffles at Sleepy Eye Lake (Fishing Contest)

Councilor Pelzel seconded the motion and the motion carried.

Councilor Pelzel moved to approve the following plumbing permits:

Ron Berdan dba Berdan's Plumbing and Heating, 136 1<sup>st</sup> Avenue N, Sleepy Eye

Calvin Buddensick dba B & B Plumbing & Heating, 326 N Bagen Avenue, Springfield

Bruce's Plumbing & Heating Inc., PO Box 77, St James, MN 56081

Phlag Mechanical Inc dba Feeder Mechanical, 18 Drew Avenue NE, Madelia

James Hensel dba JP Plumbing & Heating, 1800 N State, New Ulm

Mark Hansen dba Hansen Bros Plumbing & Heating, Inc, 1439 10<sup>th</sup> Street N, New Ulm

Philip G. Kirschstein dba Schultz Plumbing & Heating & Drain Cleaning Inc, 1809 N Minnesota Street, New Ulm

Duane J. Javens dba Javens Mechanical Contracting Co., 59160 Madison Avenue, Mankato

Wayne V. Klassen dba Klassen Mechanical Inc, 7 River Street, New Ulm

Christopher M. Williams dba CW Plumbing LLC, 1320 N Payne Street, New Ulm

Gag Sheet Metal Inc. dba Schanus-Gag Plumbing, 103 3<sup>rd</sup> North, New Ulm

Kerkhoff Plumbing & Heating Inc., Adam Kerkhoff, owner, 106 Vernon Avenue, Morgan

Kiecker Plumbing & Heating LLC, Michael S Kiecker, owner, 116 SE 1<sup>st</sup> Street, Fairfax

TMH Plumbing & Heating LLC, Troy Huiras, owner, PO Box 303, Hanska

Robert K Vee dba Vee Plumbing & Heating, 317 Benzel Avenue, Madelia

Gary Welter dba Welter Plumbing & Heating, 112 3<sup>rd</sup> Street E, Morgan

Wenner Quality Services Inc dba Mr. Rooter of South Central MN, 415 Truman Street, North Mankato

Stevermer seconded the motion and the motion carried.

Councilor Zinniel moved to approve the following one-day beer permits:

Knights of Columbus, July 4, 2018, at Allison's Park

Sleepy Eye Chamber of Commerce, August 17, 2018 at Allison's Park

Sleepy Eye Baseball Association, June 16 & 17, 2018, Prairieview Fields

St Marys Church, 611 1<sup>st</sup> Avenue N, August 5, 2018 at 611 1<sup>st</sup> Avenue N (Church Festival)

Councilor Braun second the motion and the motion carried.

Councilor Pelzel moved to approve the following liquor and beer licenses for July 1, 2018 to June 30, 2019:

JANU-4 Freedom, 400 Main Street West – Beer Off Sale -- \$50.00

Schutz Family Foods, 900 Main Street East – Beer Off Sale -- \$50.00

SE Baseball Assn, Sleepy Eye Baseball Park – Seasonal Beer On Sale -- \$100.00

SE Lanes, Lydell Sik, 140 1<sup>st</sup> Avenue S – Beer On Sale -- \$100.00

Meyers Bar & Lounge, Scott Meyer, 201 Main Street E, -- Liquor/Sunday Liquor -- \$2,450.00  
Beer Off sale -- \$50.00

Servicemen's Club, 113 First Avenue S – Liquor/Sunday Liquor -- \$2,450.00

City of Sleepy Eye Event Center, 500 Burnside Street SE – Liquor/Sunday Liquor -- \$.00

City of Sleepy Eye Event Center, 110 12<sup>th</sup> Avenue SE – Liquor/Sunday Liquor -- \$.00  
Railway Bar & Grill, LLC, Daniel & Susan Helget, 300 1<sup>st</sup> Avenue N – Liquor/Sunday Liquor -- \$2,450.00

City Limits of Sleepy Eye Inc. Dale & Robin Schottle, 619 Main Street E – Liquor/Sunday Liquor -- \$2,450.00

Councilor Stevermer seconded the motion and the motion carried.

The Board of Review meeting continued, Adam Barka was present to request a reduction in the value of their property at 804 3<sup>rd</sup> Avenue SW (002.330.001.04.040), The property was purchased in November 2017 for \$223,000 which is \$7,0067 less than the value of \$230,067. Barka feels that the value is not in line with comparable houses. Dunn has viewed the home and found that the basement was not 100% finished and made an adjustment of \$1,604 less in the value. The assessor records did not include a fireplace and an adjustment of \$1,619 was added. Dunn recommended no change in the value. Councilor Pelzel moved to not change the values. Councilor Schmid seconded the motion and the motion carried.

Board Review meeting was closed at 7:15 p.m.

Mayor Pelzel called for a special council meeting on May 22, 2018 to review final City Hall Renovation plans and Froniter Labs contract.

George Eilertson, Northland Securities Inc. presented financing options for the renovation of City Hall. Eilertson explained General Obligation Capital Improvement Plan Bonds. The City would establish a capital improvement plan and issue bonds for the improvements. Under current law, the maximum annual principal and interest on the bonds and any existing bonds can not exceed 0.16% of the estimated market value in the City. The 2017 estimated market value of the City of Sleepy Eye is \$161,807,400 x 0.16% = \$258,891. This would allow a bond issue of approximately \$3 million based upon an issue maturing over 15 years at 3.00%. The capital improvement plan must be developed according to Minnesota Statute 475.521 subdivision 3 and approved by the City after a public hearing. No referendum is required unless the City receives a petition calling for a vote on the issuance of the bonds. The petition must be signed by 5% if the voters cast in the City's last general election and within 30 days after the public hearing. The statutory Debit Limit is 3.00% of the cities estimated market value. The City of Sleepy Eye's 2017 EMV is \$4,854,222. The city currently has a \$1,230,000 principal balance on the 2014A Refunding Bonds which would be included in the debt limit leaving a statutory debt limit balance of \$3,624,222. Eilertson stated that calling for the public hearing does not obligate the city to issue bonds only allows the option for public comment. The average call date is 7 to 8 years, but 5 years is available but would increase the interest rate. Councilor Schmidt moved for a resolution calling for a public hearing and introduced the following resolution and moved for its adoption.

### **RESOLUTION NO. 6-2018**

#### **A RESOLUTION CALLING FOR A PUBLIC HEARING ON THE PROPOSED ADOPTION OF A FIVE-YEAR CAPITAL IMPROVEMENT PLAN AND THE PRELIMINARY ISSUANCE OF GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS THEREUNDER**

BE IT RESOLVED By the City Council (the "Council") of the City of Sleepy Eye, Minnesota (the "City") as follows:

Section 1. Public Hearing. The City is proposing to undertake the following improvements: (i) remodel the liquor store area into a new police station with offices, investigation rooms, bathrooms, evidence storage space and a garage addition for police vehicles; and (ii) renovate portions of City Hall, including the installation of security cameras and safety glass in the main City Hall corridor, as well as some changes to the existing Council Chambers, primarily consisting of safety exits (the "Project"), which Project is proposed to be financed through a variety of methods, including cash contributions and general obligation bonds (the "Bonds"). Bond financing for the Project is to be considered pursuant to a public hearing concerning the adoption of a five year capital improvement plan for the City (the "Plan") prepared in compliance with Minnesota Statutes, Section 475.521, as amended (the "Act").

This Council shall meet on June 12, 2018, at or after 7:00 p.m., to hold a public hearing on the proposed adoption of the Plan and the preliminary issuance of the Bonds, all pursuant to and in accordance with the Act.

Section 2. Preparation of Plan; Notice of Public Hearing. City staff is authorized and directed to work with its legal and financing consultants to prepare the Plan and the financing parameters for the Bonds, in advance of the public hearing. City staff is authorized and directed to cause notice of the public hearing to be published in the City's official newspaper or a newspaper of general circulation within the City at least 14 but not more than 28 days before the public hearing. The form of the public hearing notice is attached hereto as Exhibit A.

Passed and adopted by the City Council of the City of Sleepy Eye, Minnesota this 8th day of May, 2018.

**CITY OF SLEEPY EYE, MINNESOTA**

/s/Wayne Pelzel

Wayne Pelzel, Mayor

Attest:

/s/ Mark Kober

Mark Kober, City Manager

Councilor Zinniel seconded the motion and the motion carried.

City Manager will bring quotes to the June meeting for approval to remove and put into storage the walk-in cooler in the liquor store until it can be sold.

Councilor Schmidt presented quotes and information from Lime Valley Advertising Inc. to design a new city website for the City of Sleepy Eye. Lime Valley Advertising would design the site and then turn it over to the city. The site would include an online reservation system for camping sites, cabins and park shelters. Other types of online payments could be added. Each department would have a page to post their department information and would oversee keeping their page up to date. Councilor Schmidt moved to accept the proposal for the Weebly Content Management System for \$4760 with a monthly hosting fee of \$25 per month and the Reservation System for \$1,200 with a monthly fee of \$45. Councilor Stevermer seconded the motion and the motion carried.

Dave Palm City Engineer reported on the following:

- A. 2018 Hwy 14 Project. Pre-construction meeting at Windom on Monday, May 14, 2018. Mill overlay work has started on Hwy 14 between Sleepy Eye and New Ulm. The roundabout at the intersection of Hwy 4 and County Road 29 north of Sleepy Eye will start June 4.
- B. 12<sup>th</sup> Avenue Railroad Crossing. 2018 DEED (BDPI) application is almost complete and called for a resolution for the Business Development Infrastructure Application. Councilor Pelzel introduced the following resolution and moved for its adoption.

**Resolution 7-2018**  
**BUSINESS DEVELOPMENT INFRASTRUCTURE APPLICATION**

Applicants must adopt and submit the following resolution. This resolution must be adopted prior to submission of the forms package.

BE IT RESOLVED that City of Sleepy Eye (Applicant) act as the legal sponsor for project(s) contained in the Business Development Infrastructure Application to be submitted in May 2018 and that Mayor (Title of First Authorized Official) and City Manager (Title of Second Authorized Official) are hereby authorized to apply to the Department of Employment and Economic Development for funding of this project on behalf of City of Sleepy Eye, MN (Applicant).

BE IT FURTHER RESOLVED that City of Sleepy Eye, MN (Applicant) has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure matching funds, adequate construction, operation, maintenance and replacement of the proposed project for its design life.

BE IT FURTHER RESOLVED that City of Sleepy Eye, MN (Applicant) has not violated any Federal, State, or local laws pertaining to fraud, bribery, kickbacks, collusion, conflict of interest or other unlawful or corrupt practice.

BE IT FURTHER RESOLVED that upon approval of its application by the state, City of Sleepy Eye, MN (Applicant) may enter into an agreement with the State of Minnesota for the above-referenced project(s), and that it will comply with all applicable laws and regulations as stated in all contract agreements.

BE IT FURTHER RESOLVED that the non-BDPI source(s) of funds identified in the sources and uses outline in the application in the total amount of \$1,300,626 are committed and adequate to fully fund the project identified in the application.

BE IT FURTHER RESOLVED that per MN statute 116J.431 Subd 7, City of Sleepy Eye, MN (Applicant) understands the grant may be cancelled if the project identified in the Application is not proceeding within 18 months of the execution of a grant agreement, or if not complete after five years of any grant award.

City of Sleepy Eye, MN (Applicant) certifies that it will comply with all applicable laws, regulations, and rules of the Business Development Infrastructure Application.

NOW, THEREFORE BE IT RESOLVED that Mayor (Title of First Authorized Official) and City Manager (Second Authorized Official), or their successors in office, are hereby authorized to execute such agreements, and amendments thereto, as are necessary to implement the project(s) on behalf of the applicant.

I CERTIFY THAT the above resolution was adopted by the City Council of City of Sleepy Eye, MN (Applicant) on May 8, 2018.

SIGNED:

(First Authorized Official)

/s/ Wayne Pelzel,

\_\_\_\_\_  
Title and date

Mayor, 5/8/2018  
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WITNESSED:

(Signature)

/s/ Linda Tiedeken

\_\_\_\_\_  
Title and date

City Clerk, 5/8/2018  
\_\_\_\_\_

SIGNED:

(Second Authorized Official)

/s/ Mark Kober

\_\_\_\_\_  
Title and date

City Manager, 5/8/2018  
\_\_\_\_\_

WITNESSED:

(Signature)

/s/ Linda Tiedeken

\_\_\_\_\_  
Title and date

City Clerk 5/8/2018  
\_\_\_\_\_

Councilor Stevermer seconded the motion and the motion carried.

C. 2020 Street and Utility Project. Reviewed the city map of possible improvements and cost per block. Set May 22 and 23 at 1 pm to walk some of the blocks.

D. 2018 Seal coat and crack filling. Received quotes for 47 blocks of seal coating.

Councilor Zinniel moved to accept MR Paving & Excavating Inc. bid of \$78,252.48 for sealing coating and RH Sealing coating & Asphalt Maintenance Inc. bid of \$16,150.00 for cracking filing. Councilor Stevermer seconded the motion and the motion carried.

E. Airport Project. MNDOT Aeronautics have approved the funds for the airport crack seal and fog seal improvements. Will advise for bids May 10, 2018 with bid opening on June 7, 2018 and present bids for approval at the June 12, 2018 council meeting. Councilor Schmidt moved to approve the plans and specs and authorize to advise for bids. Council Braun seconded the motion and the motion carried.

City Manager Kober reported on the following:

A. SE Medical Center audit meeting has been tentatively set for May 17, 2018 at the hospital.

B. 2017 Carryovers. Balance from previous year budget are carried over to the current year. Councilor Zinniel moved to approve the carryovers. Councilor Stevermer seconded the motion and the motion carried.

C. Sewer Reconstruction Funds. Sanitary balance is \$1,740,699.50 and the storm balance is \$56,123.70, actual total fund balance is \$1,796823.20.

Miscellaneous correspondence was included in agenda packets.

Police Chief Andres reported on the following:

A. Reported on speed enforcement on Hwy 4 north by Sleepy Eye Lake.

Councilor Pelzel moved to file the April Police Report. Councilor Braun seconded the motion and the motion carried.

Councilor Braun moved to approve and allow payment of the monthly bills in the amount of \$155,570.23 as presented. Councilor Pelzel seconded the motion and the motion carried.

There was no other business.

The meeting was properly adjourned at 8:43 p.m.

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Wayne Pelzel, Mayor

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Linda Tiedeken, City Clerk