

## **Dawson City Council Minutes**

**July 11, 2017**

**5:30 p.m.**

The Dawson City Council met in regular session on Tuesday, July 11, 2017, at 5:30 p.m. in the City Council Chambers.

Councilpersons present: Steve Tufto, Becky Bothun, Jeff Olson and Charlie Prestholdt.

Councilpersons absent: Dave Lien and Al Tufto.

Others present: Mayor Randy Tensen, City Manager Tami Schuelke-Sampson, City Clerk Treasurer Kristi Kvaal, Maintenance Superintendent Brent Powers, Police Chief Andy Stock, Liquor Store Manager Garney Jager, Travis Schacherer, Doug Balvin, and Daryl Kanthak from Meulebroeck, Taubert & Co., PLLP.

Declaring a quorum, Mayor Tensen called the meeting to order and the group repeated the Pledge of Allegiance to the Flag.

Mayor Tensen asked for approval of the agenda as printed. On motion by Councilman Olson seconded by Councilman Prestholdt to approve the agenda with no changes. Voting in favor: S. Tufto, Bothun, Olson and Prestholdt; voting against: none; absent: Lien and A. Tufto. Motion carries.

On motion by Councilman S. Tufto seconded by Councilwoman Bothun to approve the Consent Agenda Items #4 and #14, approval of the June 6<sup>th</sup> Council Meeting Minutes and June Bills Paid. Voting in favor: S. Tufto, Bothun, Olson and Prestholdt; voting against: none; absent: Lien and A. Tufto. Motion carries.

Mayor Tensen opened the 10 minute public forum. Hearing no comments, Mayor Tensen closed the public forum.

Mayor Tensen welcomed Daryl Kanthek from Meulebroeck, Taubert & Co., PLLP. Daryl introduced himself and distributed copies of the 2016 audit. He explained that the City of Dawson was given a qualified opinion based on the fact that the Fire Relief Association has not had an actuary audit completed. He stated that very few cities require their relief associations to complete an actuary audit due to the high cost, and he has seen no evidence of repercussions on bond ratings. Daryl went on to explain the findings of the audit and made comparisons to the 2015 audit in the various departments. He pointed out that deficits in certain departments were based on unforeseen expenditures such as a snow plow and the library roof project. Overall, he stated that the City is in compliance with all reviewed items, and the reserves are increasing.

Daryl continued by explaining the new GASB 68 requirement and how it relates to the liquor store audit. He explained that prior to the removal of the non-cash expenses of depreciation and the pension adjustment, the liquor store has a positive cash flow. The Schedule of Findings and Recommendations includes items that are common with cities of comparable size where hiring additional staff is not economically feasible. However, it was recommended that the City monitor and obtain additional collateral to cover its deposits. On motion by Councilman Olson seconded by Councilman S. Tufto to accept the audit as written and the journal entries. Voting in favor: S. Tufto, Bothun, Olson and Prestholdt; voting against: none; absent: Lien and A. Tufto. Motion carries.

Canby Farmers Grain representatives Doug Balvin and Travis Schacherer were present to discuss the possibility of acquiring land located within the City's Industrial Site. The area would be used as open air storage for piling corn. Immediate plans would include leveling the site for use this harvest season. A more permanent storage site could include bunkers and a conveyor piler. Councilman Prestholdt asked about the size of the lots, to which City Manager Schuelke-Sampson replied nine total acres. Mr. Balvin indicated that they would not need all nine acres. Discussion centered on the possible location of the site, and the projected work that would need to be completed to make the site feasible for grain storage, including the existing road access. Maintenance Superintendent Powers stated that the area east of the road does not have water and sewer available and might be a more suitable location. Mr. Schacherer stated that he felt the area had considerable wet land. In addition, the site could create issues with the area residents, a problem they are trying to avoid by relocating out of the City. Councilman Olson asked about the possibility of placing a grain scale at the site, to which Mr. Balvin replied maybe, but not definite. Cost for a seasonal scale is approximately \$120,000 and grain trade does not allow for a temporary scale.

Councilman Prestholdt asked how many acres would be left in the Industrial Site if Council approved the request, to which Powers replied three. Police Chief Andy Stock asked about the area behind the levy, to which Mr. Balvin responded that the Army Corps of Engineers prohibits any development in that area. Prestholdt then asked whether they would be interested in buying or leasing. Powers suggested that selling would be a better option. Councilman Olson stated that the usual rate was \$1/acre. Mr. Balvin responded that if the asking price was \$1/acre, they might be interested in all nine acres; but any agreement would have to be approved by his board. He also stated that the site would be used for the piling of corn, and that beans would still be stored at the present site near the elevator. Discussion was held concerning the existing road and the development and ownership of any additional roads. Attorney Stulz stated that the City could maintain the road. Councilman S. Tufto asked how long it would be before the Canby Farmers Grain Board met, to which Mr. Balvin replied that they could meet in three days if necessary. On motion by Councilman Olson seconded by Councilman Prestholdt to sell to Canby Farmers Grain nine acres located within the Industrial Site for \$1/acre. Councilwoman Bothun stated that she felt the Council did not have enough information and indicated she would like to have more facts before a vote would take place. Councilman Prestholdt stated that he felt this vote would

just give them the authority to move forward with their board. Attorney Stulz indicated that he would have to bring an agreement back to the Council. Mr. Balvin asked for clarification that should his board be in favor of the purchase, that Canby Farmers Grain was guaranteed approval by the Council. Councilman Olson indicated that the two sides would have to meet. Councilwoman Bothun asked Attorney Stulz if this was in fact the final vote on the issue, to which Stulz replied that the Council would have to come back and approve the matter. Bothun cautioned that she would like know the specifics before voting on the issue. Voting in favor: S. Tufto, Olson and Prestholdt; voting against: Bothun; absent: Lien and A. Tufto. Motion carries.

Computer Commuter Update. No action required.

Police Chief Andy Stock was present to explain the Cooperative Agreement Regarding Public Safety Related to 2018 National Football League Super Bowl Security, indicating that the City would be reimbursed for services. On motion by Councilman Olson seconded by Councilman S. Tufto to accept the agreement. Voting in favor: S. Tufto, Bothun, Olson and Prestholdt; voting against: none; absent: Lien and A. Tufto. Motion carries.

City Manager Schuelke-Sampson asked for approval of the City Assessment Contract with Beth Westby. This is a two-year contract, with an increase of \$125.00/year. On motion by Councilwoman Bothun seconded by Councilman Prestholdt to accept the City Assessment Contract. Voting in favor: S. Tufto, Bothun, Olson and Prestholdt; voting against: none; absent: Lien and A. Tufto. Motion carries.

LQP EDA Operations Report. No action required.

Maintenance Superintendent Brent Powers' Report.

- A. Lincoln Pipestone Rural Water Update. LPRW is currently taking bids for the project, and are in the process of getting landowner approval. They indicate that things are on schedule to be in operation by the end of the year.
- B. The clarifier repairs are not yet complete. Total cost was estimated at \$45,000, but came in closer to \$60,000.
- C. Brent gave information concerning the damage done to the aerator by the recent brown out.
- D. Brent asked for Council permission to have Bituminous Paving seal coat the walking trail. On motion by Councilwoman Bothun seconded by Councilman Prestholdt to approve the seal coating of the walking trail. Voting in favor: S. Tufto, Bothun, Olson and Prestholdt; voting against: none; absent: Lien and A. Tufto. Motion carries.

City Manager Tami Schuelke-Sampson's Report:

- A. EDA Update. The time for the EDA meeting has been changed to 4:30 p.m. on the 4<sup>th</sup> Monday of the month starting in July. The sale of property being forfeited for back taxes is Thursday, July 20, at 2:00 p.m. at the Lac qui Parle Courthouse. The EDA and/or the DDC are potentially interested in purchasing the property at 320 Oak Street (Hurley). Discussion was held regarding additional properties being sold.
- B. Upper Minnesota Regional Development Commission Grant Application. The Minnesota Historical Society Historical and Cultural Grant is due July 21. Kristi from the RDC indicated that there are 10 hours left on the current contract. She has requested an additional 50 hours. Tami indicated that she has applied for a Hedgehog Grant through the Upper Minnesota Valley Regional Development Commission which will pay 50% of the additional hours. The Historical Society Grant will provide funding for architectural designs and specs and the other documents required by the Minnesota Historical Society to do the construction grant proposal for the Library Building. Kristi received a proposal from Inspec to do the architectural designs at an approximate cost of \$43,500. Kristi recommends that the City contribute \$1,000 for the initial grant and an offer to contribute 5% to 10% of the construction grant. This is the first step in a multiple step process. The City will be notified in December if we are awarded the grant for developing these designs. On motion by Councilman Olson seconded by Councilman S. Tufto to approve the Contract for Professional Services between the Upper Minnesota Valley Regional Development Commission and the City of Dawson. Voting in favor: S. Tufto, Bothun, Olson and Prestholdt; voting against: none; absent: Lien and A. Tufto. Motion carries.
- C. Dan Popowski from Development Services Inc., was at City Hall today to meet with residents and business owners interested in the Small Cities Grant. The City is in need of seven more residential and three more commercial applications, and Dan has indicated he is working with a number of interested individuals to get bids.
- D. Information on Small Cities Assistance Program. The City of Dawson used this program to help with the purchase of 9<sup>th</sup> Street near Midwest Truck Parts and for Riverview Estates. The amount received for 2017 is currently \$17,478.00. In 2015, the City received \$27,614.00.
- E. Update on Payment Service Network. The program has been in use for four months. So far the City has taken in \$11,264.00 with 119 electronic payment transactions. Total fees = \$151.72.

On motion by Councilman Olson seconded by Councilman S. Tufto to adjourn the meeting. Motion carries and the meeting adjourned at 6:55 p.m.