

Dawson City Council Minutes
September 15th, 2020
5:30 p.m.

The Dawson City Council met in regular session Tuesday, September 15th, 2020 at 5:30 p.m. at the Dawson City Hall Council Chambers following social distancing guidelines and wearing masks.

Councilpersons present: Councilman Jeff Fish, Councilman Steve Tufto, Councilman Jeff Olson, Councilwoman Chessa Frahm, Councilman Al Tufto

Councilperson absent: Councilman Charlie Prestholdt

Others present: Mayor Randy Tensen, City Manager Tami Schuelke-Sampson, City Attorney Rick Stulz, Utility Billing/Office Clerk Kristin Daline, Rebecca Kurtz with Ehlers, Daryl Kanthak with Meulebroek, Taubert & Co., Blaine Green with Widseth Smith and Nolting, Patrick Nelson, and Tim Epeneter.

Mayor Tensen called the meeting to order and everyone repeated the Pledge of Allegiance.

Councilman Olson motioned to approve the agenda with the addition of 5A a street project update, second from Councilman A. Tufto. Voting in favor Councilman Fish, Councilman A. Tufto, Councilman Olson, Councilwoman Frahm, and Councilman S. Tufto. Voting against none. Councilman Prestholdt absent. Motion passed.

On motion by Councilman Fish with a second from Councilman S. Tufto to approve the September 1st, 2020 council minutes. Voting in favor Councilman Fish, Councilman S. Tufto, Councilman Olson, Councilwoman Frahm, and Councilman A. Tufto. Voting against none. Councilman Prestholdt absent. Motion passed.

Mayor Tensen opened the 10-minute public hearing. Tim Epeneter is upset over the lack of communication between the city and the homeowners in Dawson over the amount of trees and sidewalks that have been removed without homeowners knowledge. He had gotten a note on his door 14 hours before two trees in his front yard came down. Tim also commented that when the company did the stump grinding in front of his home they pelted his truck with wood chips. He went outside of his home and was hit with woodchips and yet they failed to stop. Tim said that the city has done a great job communicating with its citizens about the financial aspect of the project. Councilman Olson stated that the council did not know exactly how many trees were going to come down, and that that decision is up to the engineers and construction crew. Blaine Green with Widseth stated that it came down to a functionality and safety in design that the trees had to come down. Tim asked Attorney Stulz who owned the boulevard and he explained that the property owner owns the boulevard but the trees and sidewalk are in the right of way and the city has control over that. Tim asked if the city was going to start mowing the boulevard along his property. Tim stated his yard/lawn is gone now without the trees. Councilman Fish stated that they are not engineers and do not know how many trees are going to be taken down which Blaine agreed with. Tim addressed council asking if anyone knew the amount of trees that would be taken down and all councilmembers shook their heads no. Tim then asked about the sidewalks and Blaine explained that the rest of the sidewalk could be removed and then the area seeded at no cost to the homeowner but if they would like the sidewalk replaced that would be a cost to the homeowner. Hearing no further comments Mayor Tensen closed the public hearing.

Patrick Nelson is upset that a pine tree was removed from the corner of his lot without his knowledge, and the tree was not a boulevard tree. He is asking what the city is going to be doing about it.

Councilman Olson explained there have been safety issues on that corner and asked if it can be reviewed with Police Chief Stock and Superintendent Brent Powers. Tim Epeneter commented about the lack of communication regarding this tree and hopes we learn from this for future phases of the project. Issue was tabled to a later date in the fall after harvest.

Blaine Green with Widseth gave an update on the street project. Traffic control and some erosion control have been set up, and will be maintained consistently throughout the project by the contractor. Most of the tree removals in this phase have been completed. Some streets have been ground up and the temporary water system has been set up. Linden and 2nd St utilities are mostly finished and subgrade/drain tile work has begun. Underground utility work will continue in the area, and crews will likely begin working on restoring the street to gravel-grade. Starting next week the remaining street portions of this phase will be ground up and recompact (1st St, Walnut St, Chestnut St). The underground crew will continue to work on utilities on 3rd and 4th street. 2nd St and Linden will be brought up to gravel grade and there's a chance for curb & gutter work to begin. Things are going very well and the citizens have been very good to the crew and inspectors.

Councilwoman Chessa Frahm asked for the Part 2 Wellhead Protection Plan Proposal to be moved to this time since she had to leave for a prior engagement and was doing the presenting. Councilwoman Frahm presented the four proposals that were received and recommended Bayerl Water Resources to complete the plan. Bayerl is a little more expensive than the least expensive proposal but has a better timeline and writes a more thorough plan which will be needed for future projects/grants addressed in the plan. On motion by Councilwoman Frahm with a second from Councilman S. Tufto to approve the proposal from Bayerl Water Resources. Voting in favor Councilman Fish, Councilman A. Tufto, Councilman Olson, Councilwoman Frahm, and Councilman S. Tufto. Voting against none. Councilman Prestholdt absent. Motion passed.

Mayor Tensen welcomed Daryl Kanthak from the auditing firm. Daryl introduced himself and stated that the firm has been performing the City audits for over 30 years. The City obtained a qualified opinion which is the best it can receive without the Fire Relief Association having an audit of their own. The key financial highlights for 2019 are the following:

- Governmental net position increased by \$20,000 or 0.4%
- Proprietary net position increased by \$181,966 or 10.6%
- Total governmental fund revenues increased by \$143,856 in comparison to fiscal year 2018 and expenditures increased by \$195,200 in comparison to fiscal year 2018
- Total proprietary operating revenues increased by \$94,374 in comparison to fiscal year 2018 and total proprietary operating expenditures increased by \$68,810 in comparison to fiscal year 2018
- City is at 7.5 months of reserves

Councilman S. Tufto brought up the snorkel truck the Fire Department would like to purchase. His concern is the cost of the vehicle, and how much it will actually get used. He does agree that the Fire Department should have something available, but doesn't feel like the funds will be available. Discussion was had about maybe charging the Townships more and businesses like AGP, Puris, Canby Farmers Grain and Dawson Grain kick in. Councilman Fish stated that they had a snorkel truck when he was on the fire department for 20 years and can count on one hand the number of times it was used.

He also stated that the maintenance and having it certified are very expensive. Councilman Olson stated that Montevideo Fire department has snorkel truck and can be used if we need one. Mayor Tensen asked if there are grants available for equipment and Patrick Nelson, who is on the Fire Department said he didn't believe there were grants available for vehicles.

Daryl stated that 2019 was the last year of our 3 year engagement letter and per recommendation of the company that audits their work are only doing a 1 year engagement letter. They will be mailing a letter to us in the next few days and would like to continue our relationship for accounting services.

On motion by Councilman Olson with a second from Councilman Fish to approve 2019 audit findings and adjustments. Voting in favor Councilman Fish, Councilman A. Tufto, Councilman Olson, and Councilman S. Tufto. Voting against none. Councilman Prestholdt and Councilwoman Frahm absent. Motion passed.

On motion by Councilman Olson with a second from Councilman A. Tufto to approve the second reading for water/sewer ordinance change. Voting in favor Councilman Fish, Councilman A. Tufto, Councilman Olson, and Councilman S. Tufto. Voting against none. Councilman Prestholdt and Councilwoman Frahm absent. Motion passed.

On motion by Councilman Olson with a second by Councilman Fish to approve the official summary of water/sewer amendment. Voting in favor Councilman Fish, Councilman A. Tufto, Councilman Olson, and Councilman S. Tufto. Voting against none. Councilman Prestholdt and Councilwoman Frahm absent. Motion passed.

The finance committee met and discussed the 2021 budget which was included in your packets. City Manager Schuelke-Sampson and the committee are recommending a 3% levy increase. After approval of the preliminary levy the amount can only be lowered. On motion by Councilman Olson with a second from Councilman S. Tufto to approve the 2021 levy resolution. Voting in favor Councilman Fish, Councilman A. Tufto, Councilman Olson, and Councilman S. Tufto. Voting against none. Councilman Prestholdt and Councilwoman Frahm absent. Motion passed.

Rebecca Kurtz introduced herself and spoke about the two different general obligation improvement bonds and the resolutions associated with them. The first bond Rebecca proposed is for \$2,075,000 which would cover the street portion of the project. The bonds are issued for a 15.5 year term, with principal due February 1st in the years 2023 through 2036. Interest is payable every 6 months beginning August 1st, 2021. The city has a fair amount of debt coming off in 2027 and 2029 and feels that this option will be a good choice to wrap around the existing debt the city has. The true interest cost of this bond would be about 2.050%. The second bond is for \$11,815,000 which covers the water/sewer/storm sewer portions of the project. Rebecca recommended not using PFA funding because of the flexibility to wrap or structure the existing debt. The bonds are being issued for a 15.5 year term. Principal on the bonds will be due on February 1st in the years 2022 through 2036. Interest is payable every six months beginning August 1st, 2021. The City has a fair amount of utility debt notes coming off in 2024. The true interest cost of this bond would be about 1.58%. The state credit enhancement is also being recommended because it provides a Standard and Poor's "AAA" rating which in return provides a significant cost savings for the bond issue. The cost of this application is

\$500. The final resolution would be to reimburse ourselves the engineering and financial advisor expenses.

On motion by Councilman Olson with a second from Councilman A. Tufto to approve both the street and utility bond sales resolutions, the credit enhancement program agreement with Minnesota PFA resolution, and the reimbursement of certain expenditures from the proceeds of the bonds resolution. Voting in favor Councilman Fish, Councilman A. Tufto, Councilman Olson, and Councilman S. Tufto. Voting against none. Councilman Prestholdt and Councilwoman Frahm absent. Motion passed.

Rebecca Kurtz presented the tax abatement agreement and resolution authorizing execution of a tax abatement agreement for Canby Farmers Grain. \$145,858.00 could be paid out over the 20 year term as a pay as you go note if Canby Farmers Grain complies with the execution in the agreement. On motion by Councilman Olson with a second from Councilman S. Tufto to approve the tax abatement agreement and the resolution authorizing the execution of a tax abatement agreement with Canby Farmers Grain. Voting in favor Councilman Fish, Councilman A. Tufto, Councilman Olson, and Councilman S. Tufto. Voting against none. Councilman Prestholdt and Councilwoman Frahm absent. Motion passed.

City Manager Schuelke-Sampson provided an email from Sam Muntean, Lac qui Parle County Engineer, as a follow up to the previous discussion about the 6th St and TH 212 intersection in Dawson. Police Chief Stock is working with Sam to complete further investigation on how to address the increase of semi-truck traffic from AGP. The concern is that drivers will use the wider roadway of 6th St as if there are right and left turn lanes which is not how it was designed.

Councilman Fish brought up Rod Coon's garage on 5th St not being up to code. Rod did purchase a zoning permit for this garage from the city. City Manager Schuelke-Sampson stated the city has zoning permits but not building permits, as the concern is it is not a foundation, it is just sitting on the grass. City Attorney Stulz will look into the ordinances.

Motion by Councilman Fish with a second by Councilman S. Tufto to adjourn the meeting.

Meeting adjourned at 7:05 p.m.

City Manager

Mayor