

OFFICIAL CITY COUNCIL PROCEEDINGS
REGULAR SESSION
JUNE 2, 2014

A regular session of the Granite Falls City Council was called to order by Mayor David Smiglewski at 7:30 p.m., Monday, June 2nd, in the Council Chambers of City Hall. Council Members present: DuWayne Galow, Sarina Otaibi, Steve Nordaune, Steve Schaub, Joe Fagnano and Scott Peterson. Staff present: City Manager Bill Lavin, Finance Director Michael Betker and City Clerk Joan Taylor. Also in attendance were EDA Directors Dennis VanHoof and Justin Bentaas, City Engineer Dave Berryman, Tom Dye from Stantec, YME County Administrator Peggy Helgund, County Commission John Berends, Kevin Wald and Steve Daniels from Specialty Systems, Rebecca Kurtz from Ehlers & Associates, Benjamin Goede and Ashley, Dave and Karen Lee, and Advocate Tribune News Staff Writer Ethan Groothuis.

MINUTES: M/S NORDAUNE/SCHAUB TO APPROVE THE MINUTES OF THE May 19th REGULAR MEETING. Motion carried unanimously.

BILLS: M/S NORDAUNE/SCHAUB TO APPROVE BILLS PRESENTED FOR PAYMENT. Motion carried unanimously.

ORDINANCE: Council reviewed correspondence received from Benjamin Goede requesting the city amend its ordinance relative to allowing Vietnamese potbellied pigs as pets in city limits. Following discussion M/S GALOW/OTAIBI TO HAVE THE FIRST READING OF AN ORDINANCE OF THE CITY OF GRANITE FALLS, MINNESOTA, AMENDING CITY CODE CHAPTER 91 BY EXCLUDING VIETNAMESE POTBELLIED PIGS AS AN EXCLUDED ANIMAL IN THE CITY LIMITS. Motion carried unanimously.

REPORT: The Building Inspector's report and the finance report were acknowledged at this time.

PUBLIC HEARING: A duly advertised preliminary hearing for the proposed Property Tax Abatement for the Specialty Systems Project was called to order by Mayor Smiglewski at 7:45 p.m. with Keven Wald and Steve Daniels from Specialty Systems, Rebecca Kurtz from Ehlers & Associates, YMC Administrator Peggy Heglund, YMC Commissioner John Berends and EDA Directors Dennis VanHoof and Justin Bentaas in attendance. Rebecca Kurtz from Ehlers & Associates explained to council the process by which the city would be authorized to abate property taxes from a selected parcel on a temporary basis to facilitate the purchase and use of specialized equipment for the existing facility in Granite Falls. Following discussion, Mayor Smiglewski closed the hearing at 7:49 p.m.

TAX ABATEMENT: Following the closing of the public hearing, Schaub introduced a resolution and moved its adoption approving the property tax abatement concerning Specialty Systems.

RESOLUTION NO. 14-86

RESOLUTION APPROVING PROPERTY TAX ABATEMENT
FOR THE SPECIALTY SYSTEMS PROJECT

BE IT RESOLVED by the City Council (the "Council") of the City of Granite Falls, Minnesota (the "City"), as follows:

i) Recitals.

- (a) Specialty Systems (the "Company") has requested the City to abate the City's share of all property taxes to be generated for 10 years (specifically, with respect to the payable 2015 through payable 2024 property taxes) on Tax Parcel No. 34-033-3040 (the "Property") to be developed by the Company with the purchase of equipment (the "Project") located in the City. The abatement (the "Abatement") for the 1st year period is estimated to be \$11,541.90 with a present value of \$667,700.
- (b) On the date hereof, the Council held a public hearing on the question of the Abatement, and said hearing was preceded by at least 10 days but not more than 30 days prior published notice hereof.
- (c) The Abatement is authorized under *Minnesota Statutes*, Sections 469.1812 through 469.1815 (the "Abatement Law").

ii) Findings for the Abatement. The City Council hereby makes the following findings:

- (a) The Council expects the benefits to the City of the Abatement to at least equal the costs thereof.
- (b) Granting the Abatement is in the public interest because it will increase or preserve the tax base of the City, help retain and expand commercial and industrial enterprise in the City, and provide employment opportunities in the City.
- (c) The Council expects the public benefits described in (b) above to be derived from the Abatement.
- (d) In any year, the total amount of property taxes abated by the City by this and other resolutions does not exceed the greater of ten percent (10%) of the current levy or \$200,000, whichever is greater.

iii) Terms of Abatement. The Abatement is hereby approved. The terms of the abatement are as follows:

- (a) The Abatement for the Property (PIN 34-033-6040) shall be for 10 years and shall apply to the taxes payable in the years 2015 through 2024 inclusive.

- (b) The Abatement shall be for 100% of the City's share of the ad valorem property taxes, excluding special debt levies and fiscal disparities, generated by the Property up to a maximum amount as established in a Development Agreement to be entered into between the parties.
- (c) The Abatement may not be modified or changed during the term set forth in (a) above, except with the prior written consent of the City.
- (d) The Abatement shall be subject to all the terms and limitations of the Abatement Law.
- (e) In order to be entitled to the Abatement, the Company shall not be in default within the City of any of its payment obligations respecting any taxes, assessments, utility charges or other governmental impositions.

Adopted on June 2, 2014, by the Granite Falls City Council.

David Smiglewski
Mayor

Attest:

Joan M. Taylor
City Clerk

Councilmember Schaub moved the adoption of the foregoing resolution, and said resolution was duly seconded by Councilmember Nordaune and upon vote being taken thereon, the following voted in favor thereof: Galow, Otaibi, Nordaune, Smiglewski, Schaub and Fagnano.

and the following voted against the same: Peterson

whereupon said resolution was declared duly adopted.

SPECIALTY SYSTEMS: Norduane introduced the following resolution and moved its adoption calling for a public hearing for the purpose of providing information and receiving public comment regarding a grant/loan to CMW Industrial Properties (aka Specialty Systems Inc.) The source of the loan/grant funds is the Minnesota Department of Employment and Economic Development, Minnesota Investment Fund Program.

RESOLUTION NO. 14-87

RESOLUTION CALLING FOR PUBLIC HEARING MINNESOTA INVESTMENT FUND

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, calling for a public hearing for the purpose of providing information and receiving public comment regarding a grant/loan to CMW

Industrial Properties (aka Specialty Systems Inc.) The source of the loan/grant funds is the Minnesota Department of Employment and Economic Development, Minnesota Investment Fund Program. The grant recipient will be the City of Granite Falls; said hearing to be held on Monday, June 16, 2014 at 8:00 p.m. in the Council Chambers of City Hall.

Adopted by the City Council this 2nd day of June, 2014.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Galow, the resolution was adopted unanimously.

REPORT: The Fire Department report was acknowledged at this time.

FIRE DEPARTMENT: Council discussed a memo received from Fire Chief Craig Opdahl requesting council permission for the Fire Department to obtain a vehicle from the DNR. They will be returning the gama goat to the DNR in exchange for a Humvee. Following discussion, M/S NORDAUNE/SCHAUB APPROVING THE REQUEST FROM THE FIRE DEPARTMENT TO OBTAIN THE DNR VEHICLE. Motion carried unanimously.

REPORTS: The Kilowatt Community Center Board report and Park Board report were acknowledged at this time.

PUBLIC HEARING/2014 STREET & UTILITY IMPROVEMENT PROGRAM: A duly advertised preliminary hearing for the proposed 2014 Street & Utility Improvement Program was called to order by Mayor Smiglewski at 8:00 p.m. with Dave and Karen Lee in attendance. City Engineer Berryman presented an overview of the proposed improvements. Following discussion concerning proposed improvements and the city's assessment policy and all those present afforded an opportunity to present their views and objections to the making of said improvements, the hearing was closed at 8:20 p.m.

Following discussion Nordaune introduced a resolution and moved its adoption ordering the 2014 Street & Utility Improvement Projects and directing the city engineer to prepare the final plans and specifications and call for bids.

RESOLUTION NO. 14-88

RESOLUTION ORDERING 2014 STREET & UTILITY IMPROVEMENTS
AND DIRECTING PREPARATION OF FINAL PLANS AND SPECIFICATIONS
AND CALLING FOR BIDS

WHEREAS, after due Notice of Public Hearing on the street and utility improvements for the City of Granite Falls, Minnesota, hearing on said improvements was duly held and the Council heard all persons desiring to be heard on the matter and fully considered the same; and

WHEREAS, at said hearing there was available a reasonable estimate of the amount to be assessed and a description of the methodology, in the form attached hereto as Exhibit A:

NOW THEREFORE, BE IT RESOLVED by the City Council of Granite Falls, Minnesota as follows:

1. Said improvements are necessary, cost-effective, and feasible as detailed in the feasibility report.
2. It is advisable, expedient and necessary that said improvements as described in the Notice of Hearing thereon be constructed, and the same are hereby ordered made.
3. The improvements described in said Notice of Hearing are hereby designated and shall be known as 2014 Street & Utility Improvements.
4. The consulting engineers, Rodeberg & Berryman, are hereby directed to prepare final plans and specifications for said improvements and call for bids.
5. The City Council declares its official intent to reimburse itself for the costs of the improvements from the proceeds of tax-exempt bonds.
6. The City Council shall let the contract for all or part of the work for said improvements or order all or part of the work done by day labor or otherwise as authorized by Minnesota Statutes, Section 429.041, Subd. 2 or Subd. 2a within one year of the date of this resolution ordering said improvements.

Adopted by the City Council this 2nd day of June, 2014.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

**GRANITE FALLS, MINNESOTA
2014 UTILITY & STREET IMPROVEMENTS**

**PRELIMINARY PUBLIC HEARING
8:00 P.M., MONDAY, JUNE 2, 2014**

Following is a listing of proposed improvements and estimated assessed costs in accordance with the City's adopted assessment policy.

The City's policy is generally as follows:

Improvement	Property Owner's Share Based Upon Front Foot Assessment	Maximum # Years to Pay Assessment
New Sanitary Sewer Construction - *1	80%	15 years
Sanitary Sewer Replacement - *1	60%	15 years
New Watermain Construction - *1	80%	15 years
Watermain Replacement - *1	60%	15 years
Storm Sewer - *2	80%	8 years
Grading & Base - *3	80%	8 years
Curb & Gutter	80%	8 years
Bituminous Surfacing - *3	40%	8 years

*1 - Only one side of corner lots assessed. Overbuilds for trunk lines not assessed.

*2 - Storm sewer construction is assessed based upon square footage of property within the drainage area. 60% of the square footage within the drainage area is actually assessed. Actual assessment is $0.80 (0.6) = 0.48$ or 48%.

*3 - Corner or double fronting lots are assessed for 75% of the frontage.

Any portion of all of the assessed costs may be paid within 30 days of the final hearing with no interest charged.

Any assessments not paid within 30 days will be added to the property taxes, payable over the above indicated times with interest. Interest rate would be the rate of the bond sale plus 1% per State Statutes.

PROPOSED IMPROVEMENT PROJECTS

Project 1 – I & I Reduction Projects

Project 1 is proposed to improve some of the infiltration and inflow issues within the City. Manhole flow monitoring completed by Stantec, Inc. seemed to indicate very high rates of infiltration on 5th Avenue, between 2nd Street and 3rd Street, as well as the lines to the north on 2nd Street and 3rd Street. TV inspections similarly show significant cracking, holes, blockage, debris, etc. in the pipe.

The I & I reduction projects consist of replacement of the sanitary sewer on 5th Avenue, from 2nd Street to 3rd Street, on 2nd Street from 5th Avenue north one block to the baseball field concession stand and on 3rd Street from 5th Avenue north two blocks to 4th Avenue. These projects will be identified as projects 1A, 1B and 1C respectfully, on the attached map.

Since the sewer and water appear to be in the same trench, the existing 4 inch watermain will have to be replaced at the same time with new 8 inch except on 2nd Street where there is no existing watermain. Storm sewer catch basin leads will have to be replaced where crossed as well.

Also, a very large hole in the sanitary sewer south of the American Legion will be repaired. This repair is identified as Project 1D on the attached map.

Estimated Costs

Projects 1A, B, C:	\$475,000
Project 1D:	\$ 30,000
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Total Estimated Cost:	\$505,000

Estimated Assessments – Project 1:

Sanitary Sewer Replacement:	\$23.00 / Lin. Ft.
Watermain Replacement:	\$25.00 / Lin. Ft.

For example, a 50 foot interior lot with new sewer service and new water service would be assessed as follows:

Sanitary Sewer:	50' x \$23.00 =	\$1,150
Watermain:	50' x \$25.00 =	\$1,250
		<hr/>
Total Estimated Assessment:		\$2,400

Similarly, the estimated assessment on a 50 foot by 140 foot residential corner lot with a new sanitary sewer service and new water service would be:

Sanitary Sewer:	50' x \$23.00 =	\$1,150
Watermain:	50' x \$25.00 =	\$1,250
		<hr/>
Total Estimated Assessment:		\$2,400

Project 2 – Jordan Drive Utility & Street Extension

Sanitary sewer, watermain, and storm sewer will have to be extended to serve the new Granite Manor Health Center site. Similarly, Jordan Drive will have to be extended easterly and south aligning with East Skyline Drive to provide access.

Proposed utility improvements would involve new 8 inch sanitary sewer, new 8 inch watermain, and new concrete storm sewer to provide drainage.

Proposed street improvements would involve complete new construction including excavation, geotextile fabric, aggregate base, new curb & gutter on both sides and plant-mixed bituminous. A 9 ton pavement design would be used on East Skyline Drive extended north from County Road 38 to the building site along which truck deliveries are anticipated. Jordan Drive would be a standard 5 ton pavement design. All streets would be 36 feet in width.

Estimated Project 2 Cost: \$703,000

Estimated Project 2 Assessments:

Following are estimated assessments for the Granite Falls Manor who presumably is the only benefitted property involved:

Sanitary Sewer:
 $1,468.45' \times \$30.50 / \text{Lin. Ft.} = \$ 44,787.73$

Watermain:
 $1,468.45' \times \$33.25 / \text{Lin. Ft.} = \$ 48,825.96$

Storm Sewer:
 $0.6 (630,000 \text{ ft}^2) = 378,000 \text{ ft}^2 \times \$0.06 = \$ 22,680.00$

Grading/Base/Bituminous (36' width):
 $1,609.91' \times \$40.00 / \text{Lin. Ft.} = \$ 64,396.40$

Curb & Gutter:
 $1,699.08' \times \$11.50 / \text{Lin. Ft.} = \$ 19,539.42$

Estimated Total Assessment: \$200,229.51

Additional Projects

The City has expressed an interest in adding the following project(s) to a possible bond issue:

Project 3 -	Landscaping project at the old water treatment plant site.	\$136,000
Project 4 -	Additional City share of walking bridge rehabilitation.	\$ 70,000
Project 5 -	Handicap ramp construction throughout the City/Watermain relocation at 14 th St. & 6 th Ave.	\$150,000
Estimated Total, Additional Projects:		\$356,000

Estimated Assessments:

These would be non-assessed projects.

The estimated assessments in this handout account for approximately \$253,889.51 of an estimated total cost of \$1,564,000 or 16%.

It should again be noted that assessed costs listed above are estimated costs, and that the final assessments would be based upon the actual construction costs.

This hearing is part of the procedure by law whereby the City can proceed with the improvement. Persons are asked to submit either oral or written comments regarding their feelings about the improvement. The Council will, by its action, either order to approve or disapprove of the improvement.

THE CITY COUNCIL

With second by Schaub, the resolution was adopted unanimously.

At this time Rebecca Kurtz from Ehlers & Associates discussed with council possible financing options for the 2014 Street & Utility Improvements.

WWTP: Tom Dye and City Engineer Berryman discussed with council Phase 1 improvements to the Wastewater Treatment Plant. Following discussion Galow introduced a resolution authorizing execution of an agreement with Rodeberg and Berryman to complete the plans and specifications, geotechnical investigation (soil borings), preliminary testing, surveying and design work for Phase 1 improvements to the Wastewater Treatment Plant (reed beds), at an estimated costs of \$182,000. Funding for Phase 1 will come from the 2014 Designated Reserve Fund.

RESOLUTION NO. 14-89

RESOLUTION AUTHORIZING EXECUTION OF AGREEMENT
FOR WASTEWATER TREATMENT PLANT IMPROVEMENTS – PHASE 1

WHEREAS, Rodeberg & Berryman working with Stantec Consulting Services has submitted a proposal to complete the plans and specifications, geotechnical investigation (soil borings), preliminary testing, surveying and design work for Phase 1 improvements to the Wastewater Treatment Plant (reed beds), at an estimated costs of \$182,000;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, authorizing execution of contract with Rodeberg & Berryman to complete the plans and specifications, geotechnical investigation (soil borings), preliminary testing, surveying and design work for Phase 1 improvements to the Wastewater Treatment Plant (reed beds), at an estimated costs of \$182,000. Funding to come from the 2014 Designated Reserve Fund.

Adopted by the City Council this 2nd day of June, 2014.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Nordaune, the resolution was adopted unanimously.

FORESTRY: Schaub introduced the following resolution and moved its adoption adopting the proposed Emerald Ash Borer Management Plan as requested by the Minnesota Department of Natural Services.

RESOLUTION NO. 14-90

RESOLUTION ADOPTING EMERALD ASH BORER MANAGEMENT PLAN

WHEREAS, the Department of Natural Resources has requested that cities adopt an Emerald Ash Borer Management Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, adopting the City of Granite Falls' Emerald Ash Borer Management Plan as presented.

Adopted by the City Council this 2nd day of June, 2014.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Peterson, the resolution was adopted unanimously.

REPORTS: The Public Works report and Utilities Commission report were acknowledged at this time.

ORDINANCE: M/S NORDAUNE/PETERSON TO HAVE THE FIRST READING OF AN ORDINANCE OF THE CITY OF GRANITE FALLS, MINNESOTA ENACTING A CODE OF ORDINANCES REVISING, AMENDING, RESTATING, CODIFYING AND COMPILING CERTAIN EXISTING GENERAL ORDINANCES OF THE POLITICAL SUBDIVISION DEALING WITH SUBJECTS EMBRACED IN SUCH CODE OF ORDINANCES, AND DECLARING AN EMERGENCY.
Motion carried unanimously.

FLOOD MITIGATION: Council reviewed correspondence received from MnDOT advising the city that the plans for rehabilitation of the pedestrian bridge have been approved and setting the bid letting date for June 27, 2014 at 10:00 a.m.

TURBINE REPLACEMENT PROJECT: Staff advised council that a meeting took place on May 29th at City Hall to discuss operation of the hydro turbines following the upgrades to the SCADA system.

ADJOURN: M/S/P NORDAUNE/SCHAUB TO ADJOURN at 8:55 p.m.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

BILLS PAID:

Total ADVOCATE-TRIBUNE:	1,932.55
Total ALEX AIR APPARATUS:	30.98
Total ARNESON DISTRIBUTING INC.:	25.50
Total ARTIC GLACIER INC:	284.65
Total BAKER BROS. CONSTRUCTION INC.:	3,150.00
Total BAKKER, LYNETTE:	102.48
Total BENINGA, JOEL:	223.49
Total BEVERAGE WHOLESALERS INC:	272.50
Total BISBEE PLUMBING & HEATING:	379.13
Total BORDER STATES ELECTRIC SUPPLY:	2,667.26
Total BORUD, MARY:	4.94
Total BRINDLEE MOUNTAIN FIRE APPARATUS LLC:	4,950.00
Total CENTURYLINK:	669.36
Total CENTURYLINK-PHOENIX:	16.32
Total CG AUTOMATED SOLUTIONS USA INC:	14,051.90
Total CHASE AUTO FINANCE:	7,346.97
Total CHIPPEWA COUNTY:	15,151.07
Total CITIZENS ALLIANCE BANK:	30.00
Total CNH CAPITAL:	32.46
Total COLLECTION BUREAU:	50.00
Total CORPORATE MECHANICAL:	486.38
Total CROSSROADS TRUCK REPAIR INC:	479.88
Total DAKOTA SUPPLY GROUP:	135.73
Total DAN'S SHOP INC:	45.27
Total DAVE'S ELECTRIC MOTOR CO:	50.86
Total DK DIESEL OF MONTEVIDEO:	56.76
Total EARL F. ANDERSEN:	296.79
Total FASTENAL COMPANY:	23.30
Total FERGUSON WATERWORKS SUPPLY:	56.31
Total G & K SERVICES:	170.85
Total GLOBAL EQUIPMENT CO.:	45.11
Total HALDEMAN-HOMME INC:	203.06
Total HAWKINS INC:	261.36
Total HILLYARD-HUTCHINSON:	740.71
Total HOERNEMANN, PAUL:	255.00
Total HOLMSTROM & KVAM:	1,006.25
Total INTOXIMETERS:	179.12
Total JOHN DEERE FINANCIAL:	84.99
Total JOHNSON BROS WHOLESALE LIQUOR:	5,290.72
Total K M FIRE PUMP SPECIALISTS:	784.05
Total KEEPRS:	871.78
Total KOTEK, NICOLLE:	80.00
Total KRANITZ, FRANK:	325.00
Total LEE'S AUTO & DIESEL:	95.00
Total LEISETH, NEIL & JENNIFER:	28.35
Total LIGHT FUND:	21,620.62
Total LOCHER BROTHERS:	11,641.88
Total MADISON BOTTLING CO.:	12,694.10
Total MARCO:	41.32
Total MCLAUGHLIN & SCHULZ INC.:	732.46
Total MCMASTER-CARR SUPPLY CO.:	247.60
Total MERCURY PAYMENT SYSTEMS:	1,423.31
Total MINNESOTA LIFE:	1.14
Total MINNESOTA VALLEY SERVICES LLC:	1,687.02

Total MN CITY MANAGEMENT ASSN:	115.00
Total MN DEPARTMENT OF HEALTH:	35.00
Total MN DEPT OF REVENUE:	23,853.00
Total MN NCPERS-496000:	80.00
Total MN VALLEY TESTING LAB INC.:	207.50
Total MVTV:	362.70
Total NIELSEN, BETSY:	60.00

Total NIELSEN, PETER:	73.76
Total NYHUS FAMILY SALES:	13,575.00
Total OFFICE DEPOT:	544.14
Total OFFICE PEEPS:	160.84
Total OLSEN PLUMBING & HEATING INC:	109.25
Total O'REILLY AUTO PARTS:	73.14
Total PAAPE ENERGY SERVICES:	267.00
Total PARKVIEW FORD:	10.97
Total PETERSEN, JODI:	362.50
Total PHILLIPS WINE & SPIRITS CO.:	2,344.78
Total PIONEERLAND LIBRARY SYSTEM:	20,636.00
Total POST BOARD:	90.00
Total POSTMASTER:	1,650.11
Total PROJECT TURNABOUT:	125.00
Total PROTECTION SYSTEMS INC:	97.52
Total RECREATION SUPPLY COMPANY:	102.44
Total RICE LAKE CONSTRUCTON GROUP:	195,733.29
Total ROBERT L. CARR CO:	53,713.00
Total RODEBERG & BERRYMAN INC.:	21,055.67
Total SAND, KRIS:	375.00
Total SHRED-IT SIOUX FALLS:	33.60
Total SIOUX VALLEY WIRELESS:	21.32
Total STANTEC CONSULTING SERVICES:	25,996.84
Total SW-WC SERVICE COOPERATIVES:	30,707.00
Total TROY'S ELECTRIC COMPANY:	283.00
Total ULRICH, CODY:	36.00
Total UNIVAR USA INC:	2,288.50
Total UPS:	15.90
Total VANCO SERVICES:	36.90
Total VISA:	1,351.74
Total WBM WINE & SPIRITS:	3,782.68
Total WEST, RON:	2.17
Total YELLOW MEDICINE CO. AUDITOR:	5,866.70
Total YMC ATTORNEY:	282.01
Grand Totals:	520,030.61