

OFFICIAL CITY COUNCIL PROCEEDINGS
REGULAR SESSION
JANUARY 22, 2019

A regular session of the Granite Falls City Council was called to order by Vice President Steve Nordaune at 7:00 p.m., Tuesday, January 22nd, in the Council Chambers of City Hall. Council Members present: DuWayne Galow, Sarina Otaibi, Brad Peterson and Scott Peterson. Mayor Smiglewski arrived at 7:14 p.m. Council Member absent: Joe Fagnano. Staff present: City Manager Crystal Johnson, Finance Director Neal Carstensen and City Clerk Joan Taylor. Also in attendance were EDA Director Cathy Anderson, Chamber Director Jennifer Grimm and Advocate Tribune News Editor Kyle Klausing.

CONSENT AGENDA: M/S/P GALOW/OTAIBI TO APPROVE THE CONSENT AGENDA AS FOLLOWS: Minutes, Bills, Building Inspector's Year-End Report, Police Chief's Report, Correspondence and Meetings & Events.

REPORTS: The Airport Commission Report was acknowledged at this time.

EDA BOARD: EDA Director Cathy Anderson was in attendance to request approval of two separate loans from the 811 Revolving Loan Fund.

Following discussion, Peterson introduced a resolution and moved its adoption approving a loan to Sue Tollefson dba Tolley's Bar & Grill LLC from the 811 Revolving Loan Fund in the amount of \$20,000 to be used to purchase Jake's Pizza. The loan will be at an interest rate of 4% with payments to be made over a 10-year period with the EDA having a junior position on real estate, person property and UCC.

RESOLUTION NO. 19-12

RESOLUTION APPROVING LOAN FROM
811 REVOLVING LOAN FUND TO SUE TOLLEFSON DBA
TOLLEY'S BAR & GRILL LLC

WHEREAS, Sue Tollefson dba Tolley's Bar & Grill LLC has applied to the EDA for a loan from the 811 Revolving Loan Fund in the amount of \$20,000 to be used to purchase Jake's Pizza; and

WHEREAS, the Economic Development Authority at its January 14th meeting recommended council approve a loan to Sue Tollefson dba Tolley's Bar & Grill LLC from the 811 Revolving Loan Fund in the amount of \$20,000 at an interest rate of 4% with payments to be made over a 10-year period with the EDA having a junior position on real estate, person property and UCC.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA approving a loan to Sue Tollefson dba Tolley's Bar & Grill LLC from the 811 Revolving Loan Fund in the amount of \$20,000 at an interest rate of

4% with payments to be made over a 10-year period with the EDA having a junior position on real estate, person property and UCC.

Adopted by the City Council this 22nd day of January, 2019.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by B. Peterson, the resolution was adopted unanimously by those present.

Following discussion regarding an additional loan, Galow introduced a resolution and moved its adoption approving a loan from the 811 Revolving Loan Fund to the Granite Falls Chamber of Commerce in the amount of \$8,000 to be used to pay the outstanding construction costs. The loan will be at an interest rate of 0% with payment deferred until January 31, 2020 with a balloon payment of \$8,000 due February 1, 2020.

RESOLUTION NO. 19-13

RESOLUTION APPROVING LOAN FROM
811 REVOLVING LOAN FUND TO THE GRANITE FALLS CHAMBER OF COMMERCE

WHEREAS, the Granite Falls Chamber of Commerce has applied to the EDA for a loan from the 811 Revolving Loan Fund in the amount of \$8,000 to be used to pay the outstanding balances to LA Construction of \$7,551.96 and Bisbee Plumbing of \$450.00; and

WHEREAS, the Economic Development Authority at its January 14th meeting recommended council approve a loan to the Chamber from the 811 Revolving Loan Fund in the amount of \$8,000 at an interest rate of 0% with payment deferred until January 31, 2020 with a balloon payment of \$8,000 due February 1, 2020.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA approving a loan to the Chamber of Commerce from the 811 Revolving Loan Fund in the amount of \$8,000 at an interest rate of 0% with payment deferred until January 31, 2020 with a balloon payment of \$8,000 due February 1, 2020.

Adopted by the City Council this 22nd day of January, 2019.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by B. Peterson, the resolution was adopted unanimously by those present.

SMALL CITIES DEVELOPMENT PROGRAM: Galow introduced the following resolution and moved its adoption approving and adopting the following plans and policies concerning the Small Cities Development Program.

- Granite Falls Program Income Plan
- Owner-Occupied Rehabilitation Policies and Procedural Guide
- Granite Falls Section 3 Plan
- Residential Anti-Displacement & Relocation Assistance Plan
- Commercial Rehabilitation Policies and Procedural Guide
- Residential Rental Rehabilitation Program Procedural Guidelines

RESOLUTION NO. 19-14

RESOLUTION APPROVING SMALL CITIES DEVELOPMENT
PROGRAM PLANS AND POLICIES

WHEREAS, the City of Granite Falls is participating in the Small Cities Development Program, and

WHEREAS, through this participation it is understood the owner-occupied, rental and commercial rehabilitation will occur; and

WHEREAS, concerning the Small Cities Development Program the following plans and policies will need to be adopted:

- Granite Falls Program Income Plan
- Owner-Occupied Rehabilitation Policies and Procedural Guide
- Granite Falls Section 3 Plan
- Residential Anti-Displacement & Relocation Assistance Plan
- Commercial Rehabilitation Policies and Procedural Guide
- Residential Rental Rehabilitation Program Procedural Guidelines

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, that in preparation for any required mitigation of adverse effects of displacement on low to moderate income persons that may occur as a

result of the city's participation, the above referenced policies and plans are hereby adopted.

Adopted by the City Council this 22nd day of January, 2019.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by B. Peterson, the resolution was adopted unanimously by those present.

REPORTS: The Hospital Board report was acknowledged at this time.

DEER DEPREDATION: Council reviewed a report from Assistant Police Chief Brovold relative to the special permit archery hunt held within the city limits in 2018. Ten permits were issued and only one deer was harvested. Following discussion, M/S B. PETERSON/PETERSON TO OFFER THE ARCHERY DEER HUNT IN 2019. Motion carried unanimously by those present.

REPORTS: The Charter Commission report was acknowledged at this time.

CHAMBER OF COMMERCE: Chamber Director Jennifer Grimm was in attendance to introduce herself to council and give council an update on plans for 2019.

Following discussion, Peterson introduced a resolution and moved its adoption approving a \$3,500 donation to the Chamber for 2019.

RESOLUTION NO. 19-15

RESOLUTION APPROVING DONATION TO GRANITE FALLS
CHAMBER OF COMMERCE

WHEREAS, the Granite Falls Chamber of Commerce requested a donation from the city for 2019 in the amount of \$3,500.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, approving a donation to the Granite Falls Chamber of Commerce in the amount of Three Thousand Five Hundred Dollars (\$3,500) for calendar year 2019.

Adopted by the city council this 22nd day of January, 2019.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Nordaune, the resolution was adopted unanimously by those present.

MNVCLP: M/S NORDAUNE/GALOW TO APPOINT CITY MANAGER JOHNSON AS THE VOTING DELEGATE AND MAYOR SMIGLEWSKI AS AN ALTERNATE VOTING DELEGATE TO THE MINNESOTA VALLEY COOPERATIVE LIGHT & POWER ASSOCIATION. Motion carried unanimously by those present.

POLICE DEPARTMENT: Upon the request of Police Chief Struffert, Nordaune introduced the following resolution and moved its adoption adopting the Joint Powers Agreement between the city and Yellow Medicine County.

RESOLUTION NO. 19-16

ADOPTING POLICE DEPARTMENT JOINT POWERS AGREEMENT
BETWEEN THE CITY AND YELLOW MEDICINE COUNTY

WHEREAS, Police Chief Struffert is requesting council adopt the Police Department's Joint Powers Agreement between the city and Yellow Medicine County as proposed.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, adopting the Police Department Joint Powers Agreement as requested.

Adopted by the City Council this 22nd day of January, 2019.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by B. Peterson, the resolution was adopted unanimously by those present.

ROOF REPLACEMENT: B. Peterson introduced the following resolution and moved its adoption calling for bids for the replacement of the Library Building roof and old Electric Department roof.

RESOLUTION NO. 19-17

RESOLUTION CALLING FOR BIDS FOR REPLACEMENT OF THE OLD ELECTRIC DEPARTMENT ROOF AND LIBRARY BUILDING ROOF

WHEREAS, the roof over the old Electrical Department and the roof at the Library are in need of replacement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, calling for bids for the replacement of the roof over the old Electrical Department building and the Library Building.

Adopted by the City Council this 22nd day of January, 2019.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Nordaune, the resolution was adopted unanimously by those present.

WWTP: The following quotes were received for the replacement of the fiberglass grates at the Wastewater Treatment Plant.

Strongwell	\$6,834.00
Fiberglass Grating Systems	\$7,300.00
Southwell Corp.	Option A \$4,596 Option B \$4,480 (plus additional expenses)

Galow introduced the following resolution and moved its adoption accepting the quote received from Strongwell for replacement of these grates.

RESOLUTION NO. 19-18

RESOLUTION ACCEPTING QUOTE FOR REPLACEMENT OF FIBERGLASS GRATING AT WASTEWATER TREATMENT PLANT

WHEREAS, pursuant to Resolution No. 19-3 the following quotes were received to replace the fiberglass grates at the Wastewater Treatment Plant; and

Strongwell	\$6,834.00
Fiberglass Grating Systems	\$7,300.00
Southwell Corp.	Option A \$4,596 Option B \$4,480

WHEREAS, it being in the best interest of the city, Wastewater Treatment Plant Superintendent Finken is recommending council accept the quote received from Strongwell in the amount of \$6,834.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, accepting the quote received from Strongwell in the amount of \$6,834 to replace the fiberglass grating at the Wastewater Treatment Plant.

Adopted by the City Council this 22nd day of January, 2019.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Peterson, the resolution was adopted unanimously by those present.

EQUINE CENTER: Nordaune introduced the following resolution and moved its adoption authorizing a donation of \$1,000 to the Lee Mar Ranch Equine Center.

RESOLUTION NO. 19-19

RESOLUTION APPROVING DONATION
TO LEE-MAR RANCH EQUINE CENTER, INC.

WHEREAS, the Lee-Mar Ranch Equine Center has requested a donation for the Equine Center in the amount of \$1,000 for calendar year 2019.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, approving a donation of \$1,000 for calendar year 2019 to the Lee-Mar Ranch Equine Center, Inc.

Adopted by the City Council this 22nd day of January, 2019.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by B. Peterson, the resolution was adopted unanimously by those present.

SCHOLARSHIP YME: Nordaune introduced the following resolution and moved its adoption approving a donation from the Light Fund to the Scholarship YME program at the Yellow Medicine East School District in the amount of One Thousand Dollars (\$1,000) which shall be divided into four \$250 scholarships eligible to seniors whose parents/legal guardians are current customers of the Granite Falls Municipal Utility.

RESOLUTION NO. 19-20

RESOLUTION APPROVING \$1,000 DONATION
TO SCHOLARSHIP YME

WHEREAS, the Yellow Medicine East Scholarship YMC has requested a donation from the city in the amount of \$1,000 in continuing support of the Scholarships YME program.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, approving a donation from the Light Fund to the Scholarships YME program at the Yellow Medicine East School District in the amount of One Thousand Dollars (\$1,000) which shall be divided into four \$250 scholarships which shall be eligible to seniors whose parents/legal guardians are current customers of the Granite Falls Municipal Utility.

Adopted by the City Council this 22nd day of January, 2019.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Peterson, the resolution was adopted unanimously by those present.

CUC: Otaibi introduced the following resolution and moved its adoption regarding utility valuation reform.

RESOLUTION NO. 19-21

RESOLUTION ON UTILITY VALUATION REFORM

WHEREAS, Northern States Power (the "Facility") is located in the City of Granite Falls (the "City"); and

WHEREAS, the current valuation of the energy producing equipment (the "Equipment") of the Facility significantly contributes to the tax base of the City; and

WHEREAS, the valuation of this Equipment varies according to its upgrade and depreciation schedule; and

WHEREAS, the Minnesota Legislature has recently considered legislation, such as a bill introduced in 2015 as SF 1636, and later introduced in 2017 as HF 1985, that would change the system by which the state assesses the value of the Facility, eliminate the personal property tax on the Equipment, and replace it with a new method of determining market value based on energy capacity, energy production, and spent nuclear fuel storage where relevant; and

WHEREAS, the proposed legislation provides a more stable tax base over time, eliminating the volatility caused by the upgrade/depreciation cycle; and

WHEREAS, the legislation provides for an increase in value over time based on increases in value tied to an "inflationary adjustment"; and

WHEREAS, the legislation provides for year-to-year stability by including a "rolling average" of production value; and

WHEREAS, for those cities whose tax base decreases as a result of the new energy tax base valuation, the state provides transition aid to hold local property taxpayers harmless; and

WHEREAS, the legislation includes transition aid to provide predictability and a smooth transition in their tax base at the time of eventual plant retirement; and

NOW, THEREFORE, BE IT RESOLVED: the City Council of Granite Falls supports the proposed legislation changing the process of valuing electric generating property, provided: (1) the legislation continues to include inflationary adjustment, rolling average, or other similar measures to stabilize and increase value over time; (2) the legislation includes Transition Aid that will hold host communities and local property taxpayers harmless in the transition to the new system; (3) includes aid that will provide a smooth transition for city revenues and property tax payments at the time of plant retirement. Moreover, the City of Granite Falls authorizes the Coalition of Utility Cities and that group's representatives at Flaherty & Hood, PA, to represent the City in this matter and asks that the Investor Owned Utilities and state policymakers work with them to achieve passage of this legislation.

Adopted by the City Council of Granite Falls, Minnesota this 22nd day of January, 2019.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

With second by Nordaune, the resolution was adopted unanimously by those present.

BRIDGE LIGHTING: Staff updated council regarding bridge lighting.

MEMORIAL PARK: Council reviewed a progress report concerning Phase 1 Improvements to Memorial Park.

PERSONNEL: Council was advised that Greg Barnes has taken a position with the sheriff's office. Following discussion, M/S/NORDAUNE/B. PETERSON AUTHORIZING STAFF TO FILL THIS VACANCY.

Council also discussed the City Manager's annual review.

ADJOURN: M/S/P NORDAUNE/PETERSON TO ADJOURN at 7:38 p.m.

David Smiglewski
Mayor

ATTEST:

Joan M. Taylor
City Clerk

BILLS PAID:

Total ABDO EICK & MEYERS:	9,000.00
Total AMERICAN LEGAL:	782.00
Total ANDERSON, CATHY:	26.16
Total ANDERSON, CHRIS:	75.00
Total AUS, NANCY:	1,005.00
Total BEVERAGE WHOLESALERS:	170.75
Total BIG SKY REAL ESTATE LLC:	7,306.43
Total BISBEE PLUMBING & HEATING:	610.00
Total BOLTON & MENK INC:	1,400.00
Total BOND TRUST SERVICES CORP:	1,094,151.88
Total BORDER STATES ELECTRIC SUPPLY:	641.90
Total BREAKTHRU BEVERAGE:	2,546.92
Total CARLOS CREEK WINERY:	156.00
Total CENTRAL MN MUNICIPAL POWER:	111,704.28

Total CENTURYLINK:	1,898.13
Total CHAMBER OF COMMERCE:	3,750.00
Total CINTAS:	154.31
Total CITIZENS ALLIANCE BANK:	5,352.85
Total CIVIC SYSTEMS:	4,236.00
Total CNH CAPITAL:	45.60
Total COLLECTION BUREAU:	29.00
Total DAN'S SHOP INC:	235.38
Total DAVE'S ELECTRIC MOTOR CO:	53.45
Total DEPARTMENT OF HUMAN SERVICES:	9,466.24
Total E & C GRAPHICS INC:	100.00
Total EGGEBRAATEN, BARRETT:	217.50
Total EHLERS & ASSOCIATES INC.:	2,195.00
Total FARMERS UNION OIL CO:	3,600.66
Total FARMERS UNION OIL CO.:	5,405.62
Total FIRST ADVANTAGE:	137.19
Total FORUM COMMUNICATIONS COMPANY:	161.02
Total GALLS INC.:	110.37
Total GOPHER:	348.66
Total GOPHER STATE ONE-CALL:	50.00
Total GRAINGER INC, WW:	191.38
Total GRANITE FALLS BANK:	96,386.73
Total GRANITE TRUE VALUE:	4,100.66
Total GRAYMONT CAPITAL INC:	1,983.02
Total GREAT PLAINS GAS CO.:	12,332.26
Total GREATER MN PARTNERSHIP:	500.00
Total GUERTIN, DANILLE:	30.00
Total HAWKINS INC:	301.59
Total HOERNEMANN, PAUL:	255.00
Total HOLMSTROM & KVAM PLLP:	350.00
Total IMS PLUMBING LLC:	99.88
Total JOHNSON BROS WHOLESALE LIQUOR:	8,055.35
Total JOHNSON, CRYSTAL:	209.96
Total KDMA-AM:	144.00
Total KEELER-AUS, RAE ANN:	800.00
Total KIWANIS CLUB:	100.00
Total KMGM-FM:	136.00
Total LADY SLIPPER GARDEN CLUB:	2,000.00
Total LEAGUE OF MINNESOTA CITIES:	540.00
Total LEAGUE OF MN CITIES INS TRUST:	67,116.00
Total LEE MAR RANCH EQUINE CENTER:	1,000.00
Total LEE'S AUTO & DIESEL:	597.84
Total LIGHT FUND:	378.57
Total LOCHER BROTHERS:	5,358.55
Total MACQUEEN EMERGENCY GROUP:	9.00
Total MADISON BOTTLING CO.:	3,365.55
Total MARCO TECHNOLOGIES LLC:	609.90
Total MARTIN MARIETTA AGGREGATES:	723.96
Total MARTIN TRUCKING:	683.20
Total MEDIACOM:	68.01
Total MEYER'S REPAIR & TOWING INC:	1,215.41
Total MINNESOTA VALLEY SERVICES LLC:	7,335.94
Total MINNESOTA VALLEY TECH. INC:	92.20
Total MN DEPT OF PUBLIC SAFETY:	200.00
Total MN DEPUTY REGISTRARS ASSN:	200.00
Total MN DNR OMB:	573.92
Total MN MULTI HOUSING ASSOCIATION:	100.00
Total MN MUNICIPAL UTILITIES ASSN:	10,234.56
Total MN PUBLIC TRANSIT ASSOCIATION:	320.00
Total MN TRANSPORTATION ALLIANCE:	220.00
Total MN VALLEY COOPERATIVE:	1,353.97
Total MN VALLEY TESTING LAB INC.:	323.00

Total NIHCA:	399.00
Total NORMAN, BRIAN:	75.00
Total OAKRIDGE CABINET CO:	50.00
Total OFFICE DEPOT:	177.56
Total OFFICE OF MN.IT SERVICES:	45.65
Total OFFICE PEEPS:	47.85
Total PETE'S ELECTRIC MOTOR INC:	324.90
Total PHILLIPS WINE & SPIRITS CO.:	5,624.55
Total PICHT'S BODY SHOP:	438.47
Total PIONEERLAND LIBRARY SYSTEM:	21,896.75
Total PLUMBING & HEATING OF WILLMAR INC:	4,375.15
Total RUPP, GERALD:	7.00
Total SCHMITZ, TROY:	30.00
Total SCHOLARSHIP YELLOW MEDICINE EAST:	1,000.00
Total SETH, AUS:	201.99
Total SHRED-IT USA:	51.16
Total SMIGLEWSKI, DAVID:	164.62
Total SOUTHERN WINE & SPIRITS OF MN:	7,089.02
Total STENGEL, ROB:	1,125.60
Total STRUFFERT, BRIAN:	375.00
Total T.A. LAURITSEN SEPTIC & DRAIN:	175.00
Total TALKING WATERS BREWING CO. LLC:	220.00
Total TJOSVOLD EQUIPMENT INC:	15,000.00
Total TRUDEL, TODD:	375.00
Total UPS:	42.40
Total USA BLUEBOOK:	81.90
Total VERIZON WIRELESS:	7,295.58
Total VISA:	1,225.93
Total WEST CENTRAL COMMUNICATIONS:	191.50
Total WEST CENTRAL SANITATION:	355.46
Total WINE MERCHANTS:	78.00
Total WORLD FUEL SERVICES:	23,582.94
Total XEROX CORPORATION:	115.31
Total YELLOW MEDICINE CO HWY DEPT:	2,912.00
Grand Totals:	1,592,869.00