

OFFICIAL CITY COUNCIL PROCEEDINGS  
REGULAR SESSION  
SEPTEMBER 3, 2019

A regular session of the Granite Falls City Council was called to order by Mayor Smiglewski at 7:00 p.m., Monday, September 3<sup>rd</sup>, in the Council Chambers of City Hall. Council Members present: DuWayne Galow, Brad Peterson, Joe Fagnano and Scott Peterson. Council Member absent: Steve Nordaune. Staff present: City Manager Crystal Johnson, Finance Director Neal Carstensen and City Clerk Joan Taylor. Also in attendance were EDA Director Cathy Anderson, Tom Kooiman, by phone Tom Schroeder, Hospital Board members and staff, interested citizens and Advocate Tribune News Editor Kyle Klausing.

CONSENT AGENDA: M/S/P GALOW/B. PETERSON TO APPROVE THE CONSENT AGENDA AS FOLLOWS: Minutes, Bills, Fire Department and Meetings & Events.

HOSPITAL: Hospital CEO Tom Kooiman was in attendance along with Tom Schroeder by phone to discuss with council the progress of negotiations with Avera regarding the possible affiliation. Following discussion Fagnano introduced a resolution and moved its adoption authorizing execution of the Non-Binding Letter of Intent.

RESOLUTION NO. 19-141

RESOLUTION AUTHORIZING EXECUTION OF NON-BINDING  
LETTER OF INTENT

WHEREAS, the city owns and operates a critical access hospital, physician clinic, skilled nursing facility, congregate care facility, ambulance service and related health care facilities and services in and around the City of Granite Falls; and

WHEREAS, Avera is a Minnesota non-profit corporation organized under Minnesota Statutes Chapter 317A and owns and operates a health care system based in the City of Marshall, Minnesota; and

WHEREAS, the parties have discussed and commenced due diligence with respect to a proposed affiliation; and

WHEREAS, the parties have agreed in principle to certain terms with respect to the Affiliation; and

WHEREAS, a non-binding Letter of Intent and Agreement have been prepared for the purpose of expressing the good faith intention of the parties.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, authorizing execution of the Non-Binding Letter of Intent as prepared to include Exhibit A, Articles of Incorporation of Avera Granite Falls, Exhibit B, Bylaws of Avera Granite Falls, and Exhibit C, Lease and Agreement.

Adopted by the City Council this 3<sup>rd</sup> day of September, 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 KCC Board report, the Hospital Board report and Utilities Commission report were acknowledged at this time.

2020 BUDGET: The following resolutions pertaining to the 2020 budget were acted on:

Introduced by Galow:

RESOLUTION NO. 19-142

RESOLUTION APPROVING PROPOSED TAX LEVY  
PAYABLE 2020 AND CALLING PUBLIC HEARING FOR  
GENERAL FUND BUDGET FOR 2020

BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, COUNTIES OF YELLOW MEDICINE AND CHIPPEWA AND STATE OF MINNESOTA, that the following sums of money be levied for the current year, collectible in 2020, upon the taxable property in said City of Granite Falls, Minnesota, for the following purposes:

	2020 Levy
GENERAL FUND	\$1,219,681
2007 GO IMPROVEMENT(322)	53,800
2011 GO IMPROVEMENT(325/327)	311,200
2012 REFUNDING(326)	81,700
2013 GO IMPROVEMENT(328/329)	148,400
2014 GO IMPROVEMENT(330)	70,900
2016 GO IMPROVEMENT(331)	105,700
2017 GO IMPROVEMENT(325)	69,600
2018 GO IMPROVEMENT(332)	61,600
BARBER CIRCLE(333)	22,500
EDA(231)	34,582
HRA(241)	35,288

Total \$ 2,214,951

BE IT FURTHER RESOLVED, to call for a hearing on the General Fund Budget for 2020, for December 2, 2019 at 6:30 p.m., and to call for a continuation hearing on the General Fund Budget for December 16, 2019 at 7:15 p.m.

The city clerk is hereby instructed to transmit a certified copy of this resolution to the county auditors of Yellow Medicine and Chippewa counties, Minnesota.

Adopted by the City Council this 3<sup>rd</sup> day of September 2019.

David Smiglewski  
Mayor

ATTEST:

Joan M. Taylor  
City Clerk

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

Introduced by Fagnano:

RESOLUTION NO. 19-143

RESOLUTION APPROVING PROPOSED  
GENERAL FUND BUDGET FOR YEAR 2020

BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, that the following budget provides a financial program for said city during the fiscal year beginning January 1, 2020 and ending December 31, 2020, and it is hereby approved, viz:

**REVENUES**

	2020
General Property Tax	\$1,219,681
Licenses & Permits	67,350
Intergovernmental Revenue	1,265,925
Charges for Services	169,600
Fines & Forfeits	13,000
Other Financing Sources	331,250
Miscellaneous Revenue	<u>45,000</u>

\$3,111,806

**EXPENDITURES**

General Government		\$430,750
Public Safety		852,175
Public Works		517,275
Culture & Recreation		280,137
Miscellaneous/Other Functions		160,675
Transfers		<u>870,794</u>
		<u>\$3,111,806</u>

Adopted by the City Council this 3<sup>rd</sup> day of September 2019.

David Smiglewski  
Mayor

ATTEST:

Joan M. Taylor  
City Clerk

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

Introduced by B. Peterson:

RESOLUTION NO. 19-144

RESOLUTION APPROVING PROPOSED  
SPECIAL REVENUE FUND  
AND ENTERPRISE FUND BUDGETS FOR 2020

WHEREAS, per generally accepted accounting principles promulgated by the National Council on Governmental Accounting, a formal budget is to be adopted for the following Special Revenue and Enterprise funds; and

	REVENUES	EXPENSES
Dutch Elm #211	\$12,000	\$12,000
Lodging Tax #260	15,000	14,300
Gas Franchise #270	0	0
PUR #401	48,250	31,725
General Revenue Capital Imp. #411	604,794	619,795
Light Fund #601	3,911,500	3,741,141
Water Fund #602	844,450	1,058,218
Sewer Fund #609	761,000	572,125

Liquor Fund #611	1,239,495	1,229,520
Community Center #612	602,325	455,875
Cable TV #614	36,000	36,000
Motor Vehicle #615	125,100	152,925
Community Housing #616	261,900	247,415
Library Trust #801	5,200	0
Volstead Trust #831	3,000	3,000

WHEREAS, since formal budgets are not required for all other funds, they are available as financial projections for those funds.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, to adopt the budgets for the Special Revenue funds and Enterprise funds as stated above, for the City of Granite Falls during the fiscal year beginning January 1, 2020 and ending December 31, 2020.

Adopted by the City Council this 3<sup>rd</sup> day September 2019.

David Smiglewski  
Mayor

ATTEST:

Joan M. Taylor  
City Clerk

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

Introduced by Galow:

RESOLUTION NO. 19-145

RESOLUTION APPROVING PROPOSED TRANSFERS  
OF GENERAL FUNDS  
TO VARIOUS CITY FUNDS FOR 2020 BUDGET

BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, to authorize the transfer of the indicated amounts of monies from the General Fund to the various funds listed below for the 2020 budget:

Community Development	\$30,000
Capital Improvements #411	569,794
Dutch Elm #211	12,000
Severance Pay Trust #861	-0-
Airport Construction #424	25,000
Kilowatt Community Center #612	273,000
Liquor Debt Service #611	-0-
Volstead Trust #831	3,000

Adopted by the City Council this 3<sup>rd</sup> day of September 2019.

David Smiglewski  
Mayor

ATTEST:

Joan M. Taylor  
City Clerk

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

Introduced by S. Peterson:

RESOLUTION NO. 19-146

RESOLUTION APPROVING PROPOSED TRANSFERS  
OF ENTERPRISE FUNDS TO THE 2020 GENERAL  
AND AIRPORT CONSTRUCTION FUND

BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, to authorize the transfer of the indicated amounts of monies from the following listed funds to the General Fund and Airport Construction Fund for the operation of its 2020 budget:

The following funds will make a transfer of the stated amount to the General Fund in 2020:

Light Fund #601	\$225,000
Liquor Fund #611	\$100,000

The following funds will make a transfer of the stated amount to the Airport Construction Fund in 2020:

Light Fund #601	\$5,550
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Adopted by the City Council this 3<sup>rd</sup> day of September 2019.

David Smiglewski  
Mayor

ATTEST:

Joan M. Taylor  
City Clerk

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

Introduced by B. Peterson:

RESOLUTION NO. 19-147

RESOLUTION APPROVING PROPOSED 5-YEAR CAPITAL IMPROVEMENTS PLAN AND EQUIPMENT REPLACEMENT SCHEDULE – ALL FUNDS

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, that the 5-Year Capital Improvements Plan and Equipment Replacement Schedule (a copy of which is on file in the office of the City Clerk), as presented at the Granite Falls City Council meeting held on Monday, September 3, 2019 is hereby approved.

Adopted by the City Council this 3<sup>rd</sup> day of September 2019.

David Smiglewski  
Mayor

ATTEST:

Joan M. Taylor  
City Clerk

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

CITY COMPUTERS: The following bids were received to replace the city computers:

Southwest West Central Service Cooperative	\$20,057.76
Dell, Inc.	\$26,516.62

Following discussion, B. Peterson introduced a resolution and moved its adoption accepting the bid received from Southwest West Central Service Cooperative in the amount of \$20,057.76 to replace all the city computers.

R RESOLUTION NO. 19-148

RESOLUTION ACCEPTING BIDS FOR REPLACEMENT OF CITY COMPUTERS

WHEREAS, pursuant to Resolution No. 19-132 council called for bids for replacement all city computers; and

WHEREAS, the following bids were received:

Southwest West Central Service Cooperative	\$20,057.76
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Dell, Inc.

\$26,516.62

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, accepting the bid received from the SWWC for replacement of the city computers in the amount of \$20,057.76.

Adopted by the City Council this 3<sup>rd</sup> day of September, 2019.

David Smiglewski  
Mayor

ATTEST:

Joan M. Taylor  
City Clerk

With second by Galow, the resolution was adopted by the following vote: Aye: Galow, Smiglewski, B. Peterson and Fagnano. Abstain: S. Peterson.

MEMORIAL PARK: Only one bid was received to complete Phase II Improvements from LinnCo., Inc. in the amount of \$861,484. As this bid was over the engineer's estimate it was recommended to reject the bid and rebid the project at a later time. Following discussion, B. Peterson introduced a resolution and moved its adoption rejecting the bid received for Phase II Improvements.

RESOLUTION NO. 19-149

RESOLUTION REJECTING BID FOR MEMORIAL PARK PHASE II

WHEREAS, pursuant to Resolution No. 19-122 council called for bids for Phase II Improvements to Memorial Park; and

WHEREAS, only one bid was received on Wednesday, August 28<sup>th</sup> from LinnCo, Inc. in the amount of \$861,484; and

WHEREAS, it is in the best interest of the city to reject the bid.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRANITE FALLS, MINNESOTA, rejecting the bid received from LinnCo, Inc. concerning the Memorial Park Phase II Improvements.

Adopted by the City Council this 3<sup>rd</sup> day of September, 2019.

David Smiglewski  
Mayor



ATTEST:

Joan M. Taylor  
City Clerk

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

XCEL ENERGY: Council was advised that a significant portion of the state assessed property at the plant is being retired and this will impact the 2020 city budget negatively by \$112,570. This situation will be analyzed further before the final 2020 budget is passed in December.

MEMORIAL PARK: Council reviewed an update regarding Phase 1 Improvements to Memorial Park.

SERVICE LINE WARRANTY: Council again reviewed the National Service Line Warranty Program and compared it with the Minnesota Rural Water program. Following discussion it was the consensus of council to have the Utilities Commission review both programs and make a recommendation for council.

COUNCIL VACANCY: The deadline for interest in the vacancy is September 18<sup>th</sup>.

ADJOURN: M/S/P S. PETERSON/B. PETERSON TO ADJOURN at 8:34 p.m.

David Smiglewski  
Mayor

ATTEST:

Joan M. Taylor  
City Clerk

**BILLS PAID:**

Total 2XL CORPORATION:	123.25
Total ARTIC GLACIER INC:	268.52
Total AUS CARPET CLEANING SERVICE:	120.00
Total BALFANY, KATHY:	52.61
Total BEVERAGE WHOLESALERS:	118.65
Total BORDER STATES ELECTRIC SUPPLY:	325.29
Total BREAKTHRU BEVERAGE:	2,370.82
Total BROVOLD, MITCHELL:	8.63
Total BSN SPORTS:	125.16
Total CARL'S BAKERY:	54.45
Total CARSTENSEN, NEAL:	20.00
Total CENTURYLINK:	149.85
Total CINTAS:	182.10
Total CLEAN SITE LLC:	500.00
Total COALITION OF GREATER MN CITIES:	580.00
Total COCARD:	117.81

Total CUMMINS INC:	756.34
Total DAN'S SHOP INC:	16.22
Total FENSTRA REAL ESTATE:	5,000.00
Total FIRE SAFETY U.S.A.:	270.00
Total GRAINGER INC, WW:	104.40
Total GRANITE HARDWARE:	1,571.18
Total GRAYMONT CAPITAL INC:	4,687.00
Total HATTLEWICK, ERIC:	25.00
Total HAWKINS INC:	2,711.57
Total HEARTLAND PAYMENT SYSTEMS:	301.20
Total HOERNEMANN, PAUL:	50.00
Total HOLMSTROM & KVAM PLLP:	50,000.00
Total JERVE, JEFFREY:	67.91
Total JIM'S CLOTHING & SPORTING GOOD:	513.00
Total JOHNSON BROS WHOLESALE LIQUOR:	9,203.26
Total JOHNSON, CRYSTAL:	124.12
Total KNUTSON, TYLER:	195.09
Total LAVIN, WILLIAM P.:	246.16
Total LEE'S AUTO & DIESEL:	41.50
Total LEWIS, DAN:	150.00
Total LIGHT FUND:	39,715.57
Total LOCATORS & SUPPLIES:	148.45
Total LOCHER BROTHERS:	12,554.19
Total MADISON BOTTLING CO.:	13,712.15
Total MARCO TECHNOLOGIES LLC:	77.82
Total MARTIN MARIETTA AGGREGATES:	581.34
Total MCGRANN SHEA CARNIVAL STRAUGHN:	2,790.00
Total MID-AMERICAN RESEARCH CHEMICAL:	337.73
Total MINNESOTA VALLEY TECH. INC:	598.10
Total MN DEPT OF HEALTH-WATER PROTECTION:	1,906.00
Total MN DEPT OF REVENUE:	33,811.00
Total MN PUBLIC TRANSIT ASSOCIATION:	275.00
Total MN VALLEY TESTING LAB INC.:	304.50
Total MONEY MOVERS:	120.25
Total MUNICIPAL EMERGENCY SERVICES:	3,795.00
Total MTVV:	338.75
Total NORTHERN TESTING SERVICES LLC:	28,318.00
Total OFFICE DEPOT:	43.00
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Total OFFICE OF MN.IT SERVICES:	69.12
Total PETERSON, BRENDA:	1,180.00
Total PETERSON, PERRY:	75.00
Total PHILLIPS WINE & SPIRITS CO.:	5,341.08
Total PIONEERLAND LIBRARY SYSTEM:	1,314.31
Total POSTMASTER:	1,000.00
Total PRENTICE PLACE COMMONS ASSN:	100.51
Total QUAM TRENCHLESS TECHNOLOGIES:	94,639.62
Total RAMIREZ, DOUG:	30.00
Total RECREATION SUPPLY COMPANY:	166.18
Total RODEBERG & BERRYMAN INC.:	15,668.00
Total RUPP, GERALD:	20.00
Total SAWMILL, THE:	3,438.25
Total SMITH, LEEANN:	10.19
Total SONUS INTERIORS INC:	3,885.00
Total SOUTHERN WINE & SPIRITS OF MN:	3,369.86
Total STANTEC CONSULTING SERVICES:	7,333.00
Total STRUFFERT, BRIAN:	17.91
Total SW-WC SERVICE COOPERATIVES:	41,044.00
Total T & L WELDING:	14.40
Total TALKING WATERS BREWING CO. LLC:	285.00
Total THEIN WELL CO. INC.:	275.00
Total UNIVERSITY OF MINNESOTA:	100.00

Total UPS:	35.66
Total US BANK:	2,263.23
Total VESSCO INC.:	188.18
Total VIKING COCA-COLA BOTTLING CO.:	195.70
Total VISA:	6,346.73
Total WAYNE'S TRACTOR REPAIR:	65.78
Total WINE MERCHANTS:	125.00
Total WOODS, KEITH:	250.00
Total XPRESS BILL PAY:	279.77
Total YELLOW MEDICINE CO. AUDITOR:	46.00
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Grand Totals:	409,750.42
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