

GLENCOE CITY COUNCIL MEETING MINUTES  
TUESDAY, FEBRUARY 16, 2016  
7:00 P.M.

Mayor Wilson called the regular meeting of the City Council to order at 7:00 p.m. with members Schrupp, Dietz, Robeck, Perschau and Ziemer present. Also present: City Administrator Mark Larson, City Attorney Jody Winters, Finance Director Trippel, Public Works Directors Drew and Schreifels and Police Chief Raiter.

PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

CONSENT AGENDA

Motion to approve the consent agenda with a change to wording of minutes in regards to Waste Management contract savings through 2017 for recycling by Councilor Schrupp, second by Councilor Robeck. All members voted in favor.

- A. Approve the minutes of the regular meeting of February 1, 2016.
- B. Approve the following building permits:
  - 1. St. John's Lutheran, 1304 Fir Ave N; Build-Out Permit & Plumbing Permit
  - 2. James Fischer, 407 14<sup>th</sup> St E; Garage Roof Canopy Permit
  - 3. LaRane Krueger, 926 Baxter Ave N; Window Replacement
  - 4. Starkey Labs, 2915 10<sup>th</sup> St E, Remodel Permit
- C. Approve the following licenses:
  - 1. VFW Post, 923 Chandler Ave N; Club On-Sale, Sunday Liquor License Renewal
  - 2. Glencoe Mexican Market, 710 11<sup>th</sup> St E; 3.2 Off Sale Liquor License Renewal
  - 3. Main Street Sports Bar, 1226 Greeley Ave N; On Sale, Sunday Liquor License Renewal
  - 4. Dubb's Grill & Bar, 702 10<sup>th</sup> St E; Wine and Strong Beer License
  - 5. Happy Hour Inn, 815 11<sup>th</sup> St E, On-Sale and Sunday Liquor License Renewal
  - 6. Glencoe Country Club, 1325 1<sup>st</sup> St E; Club On-Sale, Sunday Liquor License Renewal

PUBLIC HEARINGS:

A. 7:15 P.M. PUBLIC HEARING ORDINANCE 591- UNDERGROUND UTILITY  
Mayor Wilson opened the hearing. Public Works Director Schreifels gave a brief overview on the purpose of this new chapter being added to the Municipal Code. The ordinance will impose reasonable regulation on the placement and maintenance of facilities and equipment currently within its rights-of-way, utility easements and any other locations.

There being no public comment, Councilor Schrupp motioned to close the public hearing. Councilor Perschau seconded. All members voted in favor.

Motion to approve the second reading of Ordinance No. 591 was made by Councilor Ziemer, second by Councilor Schrupp. Upon a roll call vote all members voted in favor.

BIDS AND QUOTES:

- A. BID FOR LEAF VACUUM

Public Works Director Drew reviewed the bids for a second leaf vacuum. Direct Drive model is what we currently have. The Belt Drive model was the other option presented. The hours of operation to vacuum would be 8 hours for each unit making the start time more tolerable for citizens. Lead time on the vacuum is 80 to 120 days. It would be purchased outright with one half of the funds provided by the Sanitation Fund.

Direct Drive model with replacement parts bid was \$49,139.50.

Discussion led to a motion to purchase the Direct Drive model as stated by Councilor Ziemer, second Councilor Perschau. All members voted in favor.

## REQUESTS TO BE HEARD:

### LETTER AGREEMENT FOR GENERAL ENGINEERING SERVICES

Justin Black of SEH presented the general engineering, architectural and other consulting services agreement. The proposal is to provide services to the City of Glencoe on an hourly basis, not-to-exceed a total of \$50,000 in calendar year 2016 without additional written approval from the City of Glencoe.

Discussion led to a motion to approve the Letter Agreement for General Engineering Services contract with Short Elliott Hendrickson, Inc. as presented, by Member Perschau. Second by Member Dietz. Members voting in favor, Schrupp, Dietz, Ziemer and Perschau. Member voting no, Robeck. Motion carried.

### LETTER AGREEMENT FOR ADDITIONAL ENGINEERING SERVICES

Justin Black of SEH presented a request for fees to cover the costs for additional services within the Armstrong Avenue Project. The total requested fee amendment for additional services is \$54,984. Council members requested a breakdown of the additional service fees for the seven areas of the project extra time was needed. Also questioned was if some of the services performed could be billed back to entities who benefited from the services performed. This will be considered.

Motion approving the Letter Agreement for Additional Engineering Services performed by SEH on the Armstrong Avenue Project in the amount of \$54,984 made by Councilor Perschau, second by Councilor Schrupp. Members voting in favor, Perschau, Ziemer, Dietz and Schrupp. Member Robeck voted no. Motion carried.

### PHASE II ENVIRONMENTAL STUDY FOR ARMSTRONG AVE. PROJECT

Justin Black of SEH explained the proposal for the required conducting investigation and remediation in the 2016 Armstrong Avenue Improvements Project area. The Phase I Environmental Site Assessment and subsurface sampling identified two areas within the project area that will require remedial action during construction and improvements of streets and utilities for the project. Phase II scope of work consists of the following: a letter report documenting the findings, a Construction Response Action Plan/Construction Contingency Plan (RAP/CCP), implementation and oversight of the RAP/CCP, and preparation and submittal of an Implementation Report to the MPCA. The

services will provide documented liability protection for the City as well as serve as required documentation for the MPCA to issue a Closure Letter which makes the City of Glencoe eligible for select reimbursement under the Minnesota Petrofund Program. Costs of the assessment is \$28,297 plus \$5,569 in analytical costs for a total of \$33,866. Discussion questions led to a motion to approve the Letter Agreement for the Phase II Environmental Assessment in the amount of \$33,866 by Councilor Perschau, second by Councilor Dietz. Members Schrupp, Dietz, Ziemer and Perschau voted in favor. Member Robeck voted no. Motion carried.

**REIMBURSEMENT RESOLUTION NO. (2015-05) ARMSTRONG AVENUE PROJECT**

City Administrator Mark Larson presented the required resolution for reimbursement of expenditures with bond proceeds for the 2016 Armstrong Avenue Project. The financing package for the 2016 project will presented at the next council meeting.

The following resolution was introduced by Councilor Robeck:

**RESOLUTION NO. (2016-05)  
DECLARING THE OFFICIAL INTENT OF THE  
CITY OF GLENCOE TO REIMBURSE CERTAIN ORIGINAL  
EXPENDITURES FROM THE PROCEEDS OF TAX-EXEMPT BONDS  
TO BE ISSUED BY THE CITY**

WHEREAS, U.S. Treasury Regulations, Section 1.150-2, as amended (the “Reimbursement Regulations”), promulgated pursuant to Section 150 of the Internal Revenue Code of 1986, as amended (the “Code”), provides that the allocation of the proceeds of tax-exempt bonds to expenditures for governmental purposes originally paid from a source other than such tax-exempt bonds will be treated as expenditures of such tax-exempt bonds only if certain requirements of the Reimbursement Regulations are satisfied by the issuer of such tax-exempt bonds; and

WHEREAS, the City of Glencoe, Minnesota (the “City”), proposes to pay certain original expenditures for the improvement of the following streets: (i) Armstrong Avenue from 7<sup>th</sup> Street to 13<sup>th</sup> Street/Trunk Highway 22; (ii) Baxter Avenue from vacated 5<sup>th</sup> Street to 7<sup>th</sup> Street; (iii) Baxter Avenue from the cemetery drainage ditch to vacated 5<sup>th</sup> Street; (iv) 7<sup>th</sup> Street from Armstrong Avenue to Chandler Avenue; (v) 12<sup>th</sup> Street from Armstrong Avenue to Baxter Avenue; and (vi) the crossing of 13<sup>th</sup> Street/Trunk Highway 22 at Armstrong Avenue (collectively, the “Project”), a portion of which original expenditures are expected to be financed temporarily from available funds of the City and further expected to be reimbursed from the proceeds of one or more series of tax-exempt bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GLENCOE, MINNESOTA, AS FOLLOWS:

1. Issuance of Bonds. The City has a reasonable expectation (within the meaning of Treasury Regulations, Section 1.148-1(b)) that it will pay certain expenditures for the Project out of available funds of the City. The City additionally has a reasonable expectation that it will issue one or more series of tax-exempt bonds (the “Bonds”) in the estimated maximum principal amount

of \$4,800,000 to finance the Project, and will make reimbursement allocations with respect to such original expenditures for the Project from the proceeds of such Bonds.

2. Timeliness of Resolution. This Resolution has been adopted not later than sixty (60) days after payment of any original expenditure for the Project to be subject to a reimbursement allocation with respect to the proceeds of the Bonds.

3. Reimbursement Allocation Schedule. All reimbursement allocations with respect to the Bonds will be made not later than eighteen (18) months after the later of: (i) the date the original expenditure is paid; or (ii) the date the Project is placed in service or abandoned, but in no event more than three (3) years after an original expenditure is paid for the Project. If the Bonds are eligible for the small issuer exception from arbitrage rebate under the Treasury Regulations, the “18-month” limitation above is extended to “three years” and the “three-year” maximum reimbursement period is disregarded.

4. Nature of Original Expenditures. All original expenditures to which reimbursement allocations are to be made constitute: (i) capital expenditures; (ii) costs of issuance of the Bonds; (iii) expenditures for extraordinary, nonrecurring items that are not customarily payable from current revenues, such as casualty losses or extraordinary legal judgments in amounts in excess of reasonable insurance coverage, and for which no reserve is maintained; or (iv) a grant (as defined in Treasury Regulations, Section 1.148-6(d)(4), as a transfer for a governmental purpose of money or property to a transferee that is not a related party to or an agent of the transferor with respect to which no obligation or condition is imposed to directly or indirectly repay any amount to the transferor).

5. Exceptions to Reimbursement Regulations. The limitations set forth in paragraphs 2 and 3 of this Resolution do not apply to: (i) costs of issuance of the Bonds; (ii) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the Bonds; or (iii) preliminary expenditures up to an amount not in excess of twenty percent (20%) of the aggregate issue price of the Bonds that finance or are reasonably expected by the City to finance the Project for which the preliminary expenditures were incurred. The term “preliminary expenditures” includes architectural, engineering, surveying, soil testing, reimbursement bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction, or rehabilitation of the Project, other than land acquisition, site preparation, and similar costs incident to commencement of construction.

6. Reasonable Expectations. This Resolution is an expression of the reasonable expectations of the City based on the facts and circumstances known to the City as of the date hereof. The anticipated original expenditures for the Project are consistent with the City’s budgetary and financial circumstances.

7. Official Intent. This Resolution is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations.

8. No Abusive Arbitrage Device. No reimbursement allocation of the proceeds of the Bonds to expenditures for the Project will employ an abusive arbitrage device (within the meaning

of Treasury Regulations, Section 1.148-10) to avoid the arbitrage restrictions or to avoid the restrictions of Sections 141 through 150 of the Code.

Councilor Ziemer seconded the resolution. Upon a roll call vote all members voted in favor. Whereupon said resolution was adopted and approved.

#### SET BOARD OF REVIEW FOR APRIL 5, 2016 AT 11:00 A.M.

Motion by Councilor Dietz to set Board of Review for April 5, 2016 at 11:00 a.m. in the West Conference Room. Councilor Robeck seconded. All members voted in favor. A quorum is needed – members who are trained are Dietz, Robeck and Ziemer.

#### INCREASE ACCESSORY BUILDING SIZE TO COMPLY WITH BUILDING CODE

Planning and Industrial Commission recommended the increase of the size of an accessory building from 144 square feet to 200 square feet before needing a permit in order to conform to the State Building Code.

Discussion led to a motion to authorize the City Attorney to draft the necessary ordinance to make this change to the municipal code, by Councilor Ziemer, second Councilor Dietz. All members voted in favor.

#### ITEMS FOR DISCUSSION:

##### REVISIT STORM WATER RATES

City Administrator Mark Larson and Public Works Director Gary Schreifels asked the Council to “freeze” the rate increase proposed at the previous council meeting. In the review of method of commercial rate calculation they feel it is necessary to revisit the commercial rates and base upon direct REF calculation. Mapping software could possibly be used to allow more precise calculation of actual size of commercial industrial lots. There is a need to review each calculation sheet to determine actual REF and estimated revenue. The goal is to have this prepared for the next Finance Meeting.

Resolution to freeze the storm water rates to allow for further study was introduced by Councilor Schrupp and seconded by Councilor Ziemer. Upon a roll call vote members voting in favor were Perschau, Ziemer, Dietz and Schrupp. Member voting no, Robeck. Whereupon said resolution was adopted and approved.

#### RESOLUTION NO. (2016-06) RESOLUTION TO FREEZE STORMWATER RATES

WHEREAS, the City Council of the City of Glencoe set Stormwater rates in Resolution 2016-04; and,

WHEREAS, the City Council would like to freeze the rate increase set in 2016-04.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GLENCOE  
RESOLVES:

- 1) That the rate increase set for Stormwater in Resolution 2016-04 not be enacted until a later date to be set by resolution.

ROUTINE BUSINESS:

PROJECT UPDATES: McLeod County Jail Project was approved by County Commissioners in a 4 to 1 vote.

ECONOMIC DEVELOPMENT: None

PUBLIC INPUT: None

REPORTS: The \$750,000 Local Road Improvement Program grant was approved to help pay the city costs associated with the Armstrong Avenue Street Improvement Project slated for 2016.

CITY BILLS: Motion to approve payment of the city bills by Councilor Perschau, second by Councilor Schrupp. All members voted in favor.

ADJOURN: Motion to adjourn Councilor Ziemer, second by Councilor Dietz. All members voted in favor. Meeting adjourned at 7:50 p.m.

ATTEST:

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Mark D. Larson  
City Administrator

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Randy Wilson  
Mayor