GLENCOE CITY COUNCIL MEETING MINUTES
MARCH 20, 2017
7:00 P.M.

Mayor Wilson called the regular meeting of the City Council to order at 7:00 p.m. Members present: Ziemer, Robeck, Alexander and Neid. Absent: Member Schrupp. Also present: City Administrator Mark Larson, City Attorney Jody Winters, Finance Director Trippel, PWD Voigt, Assist. City Admin. Ehrke, Police Chief Raiter and Fire Chief Grack.

PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

CONSENT AGENDA
Motion to approve consent agenda as presented by Member Ziemer, Member Neid seconded. Member Robeck does not agree with transfers from Water and Waste Water funds. Funds needed for new facility. Mayor Wilson explained that these are enterprise funds to be used for balancing funds. Members present voting in favor, Ziemer, Alexander, Neid. Member Robeck voted no. Motion carried.

A. Approve the minutes of the regular meeting of March 6, 2017.
B. Approve the following building permits:
   1. Derrick Johnson, 1417 Elsie Dr; Mechanical Permit
   2. Tyler Schwartz, 1219 Chandler Ave N; Remodel
   3. Aaron Kohman, 1112 Armstrong Ave N; Mechanical Permit
   4. Randy Scrivner, 1412 15th St E; Re-roof
   5. Mike Bates, 903 14th St E; Re-side & Window Replacement
   6. Dave Goff, 1903 12th St E; Re-roof garage
   7. Dan Hanson, 1107 Abbott Ave N; Re-roof
   8. Arrow Building Center; Remodel, Plumbing, Mechanical Permits
   9. Sarah Howe, 1311 Chandler Ave N; Re-roof
   10. Darren Perry, 625 Abby Lane; Windows & Patio Door
   11. Richard Somerville, 2006 10th St E; Window Replacement
   12. ADM; Plumbing permit
   13. Pondtasia Properties, 1018 Greeley Ave N; Handicap Ramp
   14. Dan Perschau, 325 Scout Hill Dr; Misc.(cross beam supports)
   15. Sharon Castillo, 707 Ford Ave N; Remodel
   16. McLeod County Jail; Mechanical Permit
C. Approve the following licenses:
   1. Glencoe Brewers Baseball Assoc.; 3.2 On-sale license renewal
   2. Glencoe Softball Assoc.; 3.2 On-sale license renewal
   3. Super America; 3.2 Off-sale license renewal
   4. Pla-Mor Ballroom, 3.2 On-sale license renewal
D. Approve the following book transfers
   1. $24,569.75 from Sanitation to General Fund-Payment of leaf vacuum
   2. $10,000.00 from General-Reimbursables to Park Improvement-Campground
   3. $120,000.00 from Water to 2015 Street Improvement –Bond payment
   4. $180,000.00 from WWTP to 2015 Street Improvement – Bond payment
   5. $35,000.00 from Storm Water Management to General – Employee expenses
6. $45,000.00 from Water to General – Management services
7. $45,000.00 from WWTP to General – Management services
8. $20,000.00 from Cable TV to General
9. $200,000.00 from Liquor Store to City Center Bonds – Debt services
10. $29,000.00 from General-Reimbursables to Aquatic Center-Deficit reduction
11. $29,500.00 from Tax Increment #4 to 2003 Tax Increment Bond-Debt Services
12. $50,000.00 from Tax Increment #4 to 2007 Tax Increment Bond
13. $100,000.00 from Tax Increment #15 to 2007 Tax Increment Bond- debt services
14. $36,000.00 from Tax Increment #18 to 2014 Tax Increment Bond- debt services
15. $50,000.00 from 2016 Street Improvement to General- Management Services
16. $20,000.00 from Liquor Store to General – Management Services

PUBLIC HEARINGS:

A. SET ASSESSMENT HEARING FOR 2017 BAXTER AVENUE PROJECT-
RESOLUTION NO. 2017-14

After awarding the bid for the Baxter Avenue Project earlier in the meeting it was recommended to set the assessment hearing for the project. Member Ziemer introduced the following resolution to set the hearing for April 17, 2017 at 7:15 p.m.

RESOLUTION NO. 2017-14
DECLARING COST TO BE ASSESSED,
ORDERING PREPARATION OF PROPOSED ASSESSMENT, AND
CALLING FOR HEARING ON PROPOSED ASSESSMENT

WHEREAS, costs have been determined for the 2017 Baxter Avenue Project, for the construction of sanitary sewer, sanitary sewer services, water main, water services, storm sewer, concrete curb and gutter, sidewalk, aggregate base, bituminous surfacing, mill and bituminous overlay, turf restoration, and miscellaneous items required to properly complete the improvements, and the estimated final contract price for such improvements is $3,757,204.60, and the estimated final expenses incurred or to be incurred in the making of such improvements amount to $988,500.00, so that the estimated final total cost of the improvements will be $4,745,704.60.

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

1. The portion of the cost of such improvement to be paid by the city is hereby declared to be $3,712,021.21, and the portion of the cost to be assessed against benefited property owners is declared to be $1,033,677.39.
2. Assessment shall be payable in equal annual installments extending over a period of 15 years, the first of the installments to be payable on or before the first Monday in January, 2018, and shall bear interest at the rate of 4.00 percent per annum from the date of the adoption of the assessment resolution.
3. The City Administrator, with the assistance of the consulting engineer, shall forthwith calculate the proper amount to be specially assessed for such improvement against every assessable lot, piece or parcel of land within the district affected, without regard to cash valuation, as provided by law, and he shall file a copy of such proposed assessment in his office for public inspection.
4. A hearing shall be held on the 17th day of April, 2017, in the Glencoe City Hall at 7:15 p.m., to pass upon such proposed assessment and at such time and place all persons owning property affected by such improvement will be given an opportunity to be heard with reference to such assessment.

5. The City Administrator is hereby directed to cause a notice of the hearing on the proposed assessment to be published once in the official newspaper at least two weeks prior to the hearing, and shall state in the notice the total cost of the improvement. The City Administrator shall also cause mailed notice to be given to the owner of each parcel described in the assessment roll not less than two weeks prior to the hearing.

6. The owner of any property so assessed may, at any time prior to certification of the assessment to the McLeod County Auditor-Treasurer, pay the whole of the assessment on such property with interest accrued to the date of payment, to the City Administrator, except that no interest shall be charged if the entire assessment is paid by October 31, 2017. He may at any time thereafter, pay to the City Administrator the entire amount of the assessment remaining unpaid, with interest accrued to December 31 of the year in which such payment is made. Such payment must be made before November 15 or interest will be charged through December 31 of the succeeding year.

Member Neid seconded the motion. Upon a roll call vote members present voting in favor were Neid, Alexander and Ziemer. Member Robeck voted no. Whereupon said resolution was adopted and approved.

B. 7:00 PM OR LATER - PUBLIC HEARING TO CONSIDER A PROPOSAL THAT THE CITY GRANT HOST CITY APPROVAL TO THE ISSUANCE OF ONE OR MORE SERIES OF REVENUE OBLIGATIONS BY THE CITY OF PLATO RESOLUTION 2017-11

Julie Eddington of Kennedy and Graven, presented the information for providing host city approval for the financing of a project with tax exempt bonds for the benefit of Glencoe Regional Health Services. For bank qualified bonds the City cannot issue more than $10,000,000 in general obligation bonds or conduit bonds for a nonprofit corporation in a year. Therefore GRHS has requested that the City of Plato, Minnesota issue conduit revenue bonds in the maximum principal amount of $11,000,000, the proceeds of which would be loaned to GRHS to finance the remodel and expansion project. In order for the City of Plato to issue the bonds, GRHS is requesting that the City Council of Glencoe grant host approval for the issuance of the bonds as required by state and federal law.

Mayor Wilson opened public hearing. No public input given. Motion to close hearing by Member Neid, seconded by Member Ziemer. All members present voted in favor. The following resolution was introduced by Member Ziemer approving the issuance of bonds as stated:

RESOLUTION NO. 2017-11
RESOLUTION CONSENTING TO AND APPROVING THE ISSUANCE BY THE CITY OF PLATO OF ITS REVENUE BONDS FOR THE BENEFIT OF GLENCOE REGIONAL HEALTH SERVICES
Complete resolution on file in the office of the City Administrator.
BIDS AND QUOTES:

A. BAXTER AVENUE REIMBURSEMENT RESOLUTION NO. 2017-12

City Administrator Mark Larson presented the reimbursement resolution issuing bonds for the reimbursement of costs associated with the 2017 Baxter Avenue Project. Principal amount of bond will be $5,250,000. Total of project cost base bid and related project costs with change order number one, 5% contingency comes to a total of $4,933,564.

Discussion led to Member Ziemer entering the following resolution authorizing the issuance of bonds for reimbursement:

RESOLUTION NO. 2017-12
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 related to street reconstruction and utility infrastructure for the 2017 Baxter Avenue Project (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 $5,250,000 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.

Member Neid seconded. Upon a roll call vote members present voting in favor were Neid, Alexander and Ziemer. Member Robeck voted no. Whereupon said resolution was adopted and approved.

B. AWARD BID FOR 2017 BAXTER AVENUE PROJECT BY RESOLUTION NO. 2017-13

Justin Black, SEH presented the bids opened at 10:00 a.m. on March 9, 2017. Nine bids were received for the 2017 Baxter Avenue Project. The bids ranged from a high of $4,775,429.37 to a low of $3,906,866.25. Engineer’s estimate was $4,545,593.25. The low bid was submitted by OMG Midwest, Inc. (dba Chard Tiling & Excavating, Inc.) It is recommended to award the contract to the low bidder, OMG Midwest, Inc.

Assessment rates were reviewed. Project costs to date are all budgeted in the project. Member Ziemer introduced the following resolution approving base bid of OMG Midwest, Inc:

RESOLUTION NO. 2017-13
ACCEPTING BID

WHEREAS, pursuant to an advertisement for bids for the construction of the 2017 Baxter Avenue Project, bids were received, opened and tabulated according to law, and the following bids were received complying with the advertisement:

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Base Bid</th>
<th>Alternate</th>
<th>Total Base Bid and Alternate</th>
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OMG Midwest, Inc. (dba Chard Tiling & Excavating, Inc.)
Belle Plaine, MN
R & R Excavating, Inc.
Hutchinson, MN
Wm. Mueller & Sons, Inc.
Hamburg, MN
Hjerpe Contracting, Inc.
Hutchinson, MN
Kuechle Underground, Inc.
Kimball, MN
LaTour Construction, Inc.
Maple Lake, MN
Quam Construction Company, Inc.
Willmar, MN
GMH Asphalt Corporation
Chaska, MN
Duininck, Inc.
Prinsburg, MN

AND WHEREAS, it appears that OMG Midwest, Inc. of Belle Plaine, Minnesota, is the lowest responsible bidder,
NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GLENCOE, MINNESOTA:
1. The mayor and city administrator are hereby authorized and directed to enter into a contract with OMG Midwest, Inc. of Belle Plaine, Minnesota, in the name of the City of Glencoe, Minnesota, for the construction of the 2017 Baxter Avenue Project, for the Base Bid portion only, according to the plans and specification therefore approved by the city council and on file in the office of the city administrator.
2. The city administrator is hereby authorized and directed to return forthwith to all bidders the deposits made with their bids, except that the deposits of the successful bidder and the next lowest bidder shall be retained until a contract has been signed.

Member Neid seconded. Upon a roll call vote members present voting in favor: Ziemer, Alexander, Neid. Member Robeck voted no. Whereupon said resolution was adopted and approved.

1. CHANGE ORDER NUMBER 1 FOR 2017 BAXTER AVENUE PROJECT FOR SOIL CONTAMINATION CORRECTIONS AND PIPE CHANGES

Justin Black, SEH presented the change order to use different piping and gasket materials when replacing the existing water main along 12th Street due to the fact that the line will traverse petroleum contaminated soil and may come into contact with the fluctuating groundwater levels. Concern lies with the possibility that over the course of the design life (75 to 100 years), the contaminates in the plume area may penetrate...
the soil and come in contact with the pipes causing premature failure. Petroleum resistant materials are recommended. Costs associated with this piping material change are $77,009.75.

Member Robeck entered the motion approving Change Order No. 1 for the Baxter Avenue Project. Member Alexander seconded the motion. All members present voted in favor.

2. SUPPLEMENTAL LETTER AGREEMENT FOR CONSTRUCTION ENGINEERING

Justin Black, SEH reviewed the Supplemental Letter Agreement for Construction Management and Engineering-Baxter Avenue Project. Services will consist of construction staking, construction administration, resident project representative and preparation of record drawings for a total cost not to exceed $538,000.

Motion by Member Ziemer, second by Member Alexander to approve the supplemental letter agreement for construction management and engineering for the Baxter Avenue Project. Members present voting in favor, Ziemer, Neid and Alexander. Member Robeck voted no. Motion carried.

3. AWARD QUOTE FOR CONSTRUCTION MATERIALS TESTING

Justin Black, SEH presented the Braun Intertec Corporation submittal of proposal to provide construction materials testing services during site grading, utility installation and paving for the Baxter Avenue Project. The estimated fee to provide the services is $59,971.00.

Member Neid motioned with Member Ziemer seconding to award the construction testing on Baxter Avenue Project to Braun Intertec Corporation for $59,971.00. Members voting in favor Neid, Alexander and Ziemer. Member Robeck voted no. Motion carried.

C. RESOLUTION TO AUTHORIZE THE PREPARATION OF PLANS AND SPECIFICATIONS FOR 2018 CENTRAL STORM CORRIDOR NO. 2017-15

Justin Black, SEH, noted that the feasibility phase of the Central Storm Project is complete and the scope of the project is defined. He reviewed the project and outlined the proposed scope of services to provide professional engineering services for the final design, final assessment documents and bidding services for the 2018 Central Storm Sewer Project. Estimated costs of $4.7. The proposed schedule would allow for a March 2018 bid opening for the project.

Member Neid introduced the following resolution authorizing the preparations of plans and specifications for the 2018 Central Storm Sewer Project:

RESOLUTION NO. 2017-15

ORDERING IMPROVEMENT AND PREPARATION OF PLANS

WHEREAS, a resolution of the city council adopted the 19th day of December, 2016, fixed a date for a council hearing on the proposed improvement of the following streets:

- 12th Street from Hennepin Avenue to Knight Avenue
• 15th Street from Judd Avenue to Knight Avenue
• 16th Street from Judd Avenue to Louden Avenue
• Judd Avenue from 13th Street to 16th Street
• Knight Avenue from 15th Street to 16th Street
• Existing Storm Sewer Alignment from 9th Street to 13th Street, generally between Ives Avenue and Knight Avenue

AND WHEREAS, ten days’ mailed notice and two weeks’ published notice of the hearing was given, and the hearing was held thereon on the 17th day of January, 2017, at which all persons desiring to be heard were given an opportunity to be heard thereon,

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

1. Such improvement is necessary, cost-effective, and feasible as detailed in the feasibility report.
2. Such improvement is hereby ordered as proposed in the council resolution adopted the 19th day of December, 2016.
3. Short Elliott Hendrickson Inc. (SEH®) is hereby designated as the engineer for this improvement. The engineer shall prepare plans and specifications for the making of such improvement, according to the feasibility report dated December 19, 2016.
4. The city council declares its official intent to reimburse itself for the costs of the improvement from the proceeds of the tax exempt bond.

Member Ziemer seconded. Upon a roll call vote members voting in favor, Ziemer, Alexander and Neid. Member Robeck voted no. Whereupon said resolution was adopted and approved.

D. PHASE ONE ENVIRONMENTAL SITE ASSESSMENT – OLD LIBRARY PARKING LOT

City Administrator Mark Larson informed the council that the City would like to proceed with marketing the city parking lot of the old library building. A phase one environmental site assessment will be needed and two bids were presented with the low bid provided from International Hygiene Services Corporation for $2700.00. Discussion led to a motion and second to table by Members Neid and Alexander. All members present voted in favor. This will need to be completed at a later date if property adjacent to lot is to be redeveloped.

Soil borings will be done for the Baxter Avenue Project and the city may take advantage of having a few done in this area along with the others for the project.

E. LAWN MOWER QUOTES

James Voigt, PWD of Streets and Parks presented two quotes for a new lawnmower for the Parks. Arnold’s Equipment quoted $17,200 for a Kubota. John Deere’s quote was in the amount of $19,350. PWD Voigt recommended not trading in a mower. Last year they were running behind on mowing and had to lease a mower to get caught up. This is a budgeted purchase.
Motion by Member Robeck to accept the low quote of Arnold’s Equipment in the amount of $17,200 and pay all at once instead of over 3 years. Member Alexander seconded. All members present voted in favor.

REQUESTS TO BE HEARD:

A. CAMPGROUND HOST PROPOSAL- PARK BOARD RECOMMENDATION

Dan Ehrke, Assistant City Administrator, came before the council looking for direction regarding a Park Board recommendation to provide a campground host for the 2017 camping season at Oak Leaf Park. It is hoped that this person would provide assistance to campers with onsite check-in and during their stay. The host could also serve as a liaison with the park and police staff if any issues arise.
Discussion led to a motion and second by Members Alexander and Neid to draw up a contract for an on-site campground host services. All members present voted in favor.

B. REVISED ASSESSMENT AGREEMENT WITH MCLEOD COUNTY

Member Robeck motioned to authorize the Mayor and City Administrator to execute the Revised Assessment Agreement with McLeod County for 2017 for $10.50 per parcel for 2413 parcels instead of $8.50 per parcel as previously authorized in November 2016. Councilor Alexander seconded the motion. All members voted in favor.

ITEMS FOR DISCUSSION:

A. FINANCE COMMITTEE – MARCH 22 AT 4:00 P.M.

ROUTINE BUSINESS:

PROJECT UPDATES: Dan Ehrke – EDC received housing study draft – will report findings to council the second meeting in April.
ECONOMIC DEVELOPMENT: None
PUBLIC INPUT: Marie Thurn – assessments – handout to residents affected- this can be done at open houses scheduled.
Robeck – Airport fund balance is negative balance. Receivable from Federal and State grants to be posted once received.
REPORTS: None
CITY BILLS: Motion to approve payment of city bills by Councilor Robeck with second by Councilor Neid. All members present voted in favor.
CLOSE MEETING UNION NEGOTIATIONS: Motion to close the regular meeting by Councilor Alexander, seconded by Councilor Ziemer. Members present voting in favor Ziemer, Alexander and Neid. Councilor Robeck voted no. Motion carried.
Members present for closed meeting: Ziemer, Neid, Alexander. Member not attending- Robeck.
Motion to open regular meeting by Councilor Alexander, seconded by Councilor Neid. All members present voted in favor.
ADJOURN: Councilor Ziemer motioned to adjourn. Seconded by Councilor Alexander. All members present voted in favor.