

January 8, 2019

The regular meeting of the City Council of the City of Sleepy Eye was held at the Sleepy Eye Event Center, 110 12th Avenue NE, Sleepy Eye, MN at 12:30 p.m. on the 8th day of January 2019 per due call and notice. Mayor Wayne Pelzel and Councilors Nathan Stevermer, Douglas Pelzel, Joann Schmidt, Larry Braun and Gary Windschitl were present. Also, present were PUC Commissioners Bob Weiss and Wayne Novotny, City Manager Mark Kober, City Attorney Alissa Fischer, Public Works Director Bob Elston, Police Chief Matt Andres, EDA Director Kurk Kramer and City Clerk Linda Tiedeken.

Liza Donabauer with David Drown Associate reviewed the procedures for the interviews of the City Manager candidates. Brent O'Neil had withdrawn. Kelli Truver and Angela Grafstrom were interviewed by the City Council and PUC Commission.

Interviews were conducted from 1 p.m. to 3 p.m.

At 3 p.m. Liza Donabauer briefed the Council on the staff responses about the candidates. A vote was taken by the City Council and two PUC Commission members with five voting for Kelli Truver and two for Angela Grafstrom. Discussion followed and Councilor Stevermer moved to offer the City Manager position and terms to Kelli Truver. Councilor Schmidt seconded the motion and the motion carried.

A 15-minute break was taken at 3:50 p.m. and the meeting resumed at 4:05 p.m.

City Engineer Dave Palm arrived at 4 p.m.

Councilor Schmidt moved to approve the minutes of the December 11, 2018 regular meeting. Councilor Stevermer seconded the motion and the motion carried.

Mayor Pelzel made the following appointments to the various offices, boards, commissions and authorities and asked for Council approval.

Terms expire the 1st Regular Council Meeting of January

| | | |
|-------------------------------|--------------------------------|------|
| Alissa Fischer | City Attorney | 2020 |
| Dr. John Pelzel | Health Officer | 2020 |
| Matthew Ibberson | Weed Inspector | 2020 |
| Nichole Krenz | Park Board | 2022 |
| Diane Evers | Park Board | 2022 |
| City Manager, Sec./Treas. | Hospital Board | 2022 |
| Darla Meyer | Hospital Board | 2022 |
| Darlene Tauer | Hospital Board | 2022 |
| Paul Theisen | Public Utilities Commission | 2024 |
| Jon Hansen | Airport Board | 2022 |
| Shaun Heiderscheidt | Airport Board | 2022 |
| Rachel Windschitl | Library Board | 2022 |
| Jeff Pietig | Planning & Zoning Commission | 2023 |
| Gary Windschitl, City Council | Economic Development Authority | 2023 |
| Randy Reinarts | Hsg & Redevelopment Authority | 2024 |
| Sara Hornbrook | Blight Committee | 2022 |
| Matt Vickery | Blight Committee | 2022 |
| Matt Ibberson | Blight Committee | 2022 |

| | | |
|-----------------|-----------------------------------|------|
| Pat Bruggeman | Blight Committee | 2022 |
| Brian Cook | Lake Improvement Committee | 2022 |
| Steve Morasch | Lake Improvement Committee | 2022 |
| Tom Moldaschel | Lake Improvement Committee | 2022 |
| Ed Treml | Lake Improvement Committee | 2022 |
| Matt Mathiowetz | Lake Improvement Committee | 2022 |
| Sam Domeier | Lake Improvement Committee | 2022 |
| Wayne Pelzel | Lake Improvement Committee | 2022 |
| Chisti Currier | Downtown Revitalization Committee | 2022 |
| Sara Hornbrook | Downtown Revitalization Committee | 2022 |
| Tom Larson | Downtown Revitalization Committee | 2022 |
| Kathy Krenz | Downtown Revitalization Committee | 2022 |

Mayor Pelzel made the following Council Committee assignments and Council Liaison Officers for 2019 and continue until next election:

First named is chairman

| <u>Road & Bridge</u> | <u>Finance</u> | <u>Liquor</u> | <u>Sanitation</u> | <u>Building</u> |
|--------------------------|----------------|---------------|-------------------|-----------------|
| Windschitl | Stevermer | D. Pelzel | Braun | Schmidt |
| Stevermer | Schmidt | Braun | Stevermer | Braun |
| D. Pelzel | D. Pelzel | Schmidt | Windschitl | Windschitl |

Council Liaison Officers

Park Board: Joann Schmidt

Hospital Board: Nathan Stevermer

Public Utilities Commission: Nathan Stevermer

Airport Board: Gary Windschitl

Library Board: Larry Braun

P & Z Commission: Douglas Pelzel

EDA: Joann Schmidt, Gary Windschitl

Advisory to CATV: Larry Braun

Blight: Douglas Pelzel

Downtown: Gary Windschitl

Councilor Pelzel moved to approve all the above Mayor appointments as stated. Councilor Windschitl seconded the motion and the motion carried.

Councilor-elect for Ward 2 Gary Windschitl was sworn in by the City Clerk.

Councilor Stevermer moved to designate the Sleepy Eye Herald Dispatch as the official newspaper for the year 2019. Councilor Windschitl seconded the motion and the motion carried.

Councilor Pelzel moved to designate the First Security State Bank, Southpoint Financial Credit Union and Americana Community Bank the official depositories for all City funds and checking accounts. Councilor Schmidt seconded the motion and the motion carried.

Councilor Braun moved to authorize the City Manager and/or City Clerk to select financial institutions of choice for City investments as needed or required. Councilor Pelzel seconded the motion and the motion carried.

Fire Chief Ron Zinniel presented the following 2019 Fire Department Officers:

Fire Chief: Ron Zinniel

1st Asst. Fire Chief: Aaron Schauman

2nd Asst. Fire Chief: Jeff Zinniel
Sec./Treas.: Jesse Fischer
Trustee: Clark Trebesch
Shane Martinka
Leon Steffl

Chief Zinniel made the following 2019 appointments:

Fire Marshall: Al Windschitl
Asst. Fire Marshall: Scott Krzmarzick
Equipment Caretaker: Shane Martinka
Building Caretaker: Shaun Heiderscheidt
Fire Warden, 1st Ward: Lynn Tessmer
2nd Ward: Mike Tauer
Lower Level Caretaker: Brad Hoffmann
Air Pack Maintenance: Scott Braun, Shaun Heiderscheidt
Thermal Imaging Cameras & Monitors: Scott Krzmarzick
Historian: Jess Fischer

Councilor Stevermer moved to approve the Fire Department election of officers and appointments as stated. Councilor Pelzel seconded the motion and the motion carried.

Councilor Schmidt moved to authorize payment of Hospital Board salaries. Councilor Braun seconded the motion and the motion carried

Councilor Stevermer moved to approve a one-day liquor permit for 2/16/19, St Mary's Church and School, 636 1st Avenue N, Caribbean Knights School Fundraiser. Councilor Windschitl seconded the motion and the motion carried.

City Engineer Dave Palm present the following engineering report:

- A. 2020 Street & Utility Improvements Project
- Public Improvement Hearing has been set for 6:30 pm, Thursday, 1-24-19 at SE Event Center
 - Topo Survey & Existing Conditions Plans Set
 - Field work is complete for Segments 1, 2, 3, 5, 6, 7, & 12 Orange / Reconstruct Streets
 - Will work on others as weather allows.
- B. 12th Ave NE & St. Mary's St. Project
- Work is complete with field topo survey & existing conditions
 - Still working on Costs / Funding Summary. To include DEED & LRIP grants
 - Make sure city are eligible for both / all eligible grant funds
 - RR Correspondence
 - Jim Krieger email listed out RR work items.
 - Jim Krieger email agreed on 63' length for concrete panels to accommodate sidewalk on west side of street
 - Cemetery R.O.W. / Permanent Street & Utility Easement
 - Previously met with Zeke Gehrke / Cemetery Board Chairman looking at options for easement / R.O.W. agreement
 - Construction Schedule
 - 2019 RR to do work on the tracks

- 2020 Utilities & Grade & Gravel
- 2021 Curb & Gutter and Bituminous Surfacing
- Plans & Specifications

Councilor Pelzel moved to authorize the preparation of plans and specifications for the Proposed 12th Avenue NE and St. Mary's Street Project. Councilor Schmidt seconded the motion and the motion carried.

C. 2019 Airport CIP (Capital Improvements Plan)

- No further update this period
- Previous update:
 - 2020 CIP was updated
 - Funds are available on July 1, 2019
 - North Taxilane is on 2020 list
 - Airport / Runway Lighting is on the 2020 list
 - Waiting on Aeronautics Funding Percentage update to make decision on Lighting.

D. 12th Avenue SE (Adjacent to proposed Frontier Labs Lot)

- Previous update:
 - Plans & Specs are ready
 - Engineering estimate. is \$89,000

Councilor Stevermer moved to authorize the invitation for bids for 12th Avenue SE Project.

Councilor Windschitl seconded the motion and the motion carried.

E. Upcoming Brown County Highway Improvements within City Limits

- CSAH 34 & 35 / 1st Ave. N & St. Mary's & 3rd Ave NE
 - 2019 or 2020 Construction
 - 1st Ave N. = Full Reconstruct
 - St. Mary's & 3rd = Mill & Overlay & Misc ADA Fixes
 - County Eng. to present to County Board for Scope / Dates
- CSAH 33 & 34 / Prescott St. & 4th Ave NW & Rice
 - 2020 Construction
 - Mill & Overlay & Misc ADA Fixes
- CSAH 35 / 1st Ave. S. & Southdale
 - 2024 Construction
 - Full Reconstruction

Councilor Pelzel moved to request Brown County to replace the planking on the 1st Avenue North RR crossing with the project. Councilor Windschilt seconded the motion and the motion carried.

F. Brown County Ditch Systems, Re-determinations

- Received another meeting notice.
 - Redetermination of CD 5. SE Lake Area
 - Meeting is 1-24-19 @ 9:00 a.m. Brown County Building

City Manager Kober presented the Finance Committee's report and recommendation of a 3% wage increase and adjustments for non-union and non-association city employees for 2019.

Councilor Schmidt moved to approve the 2019 wage adjustment. Councilor Windschitl seconded the motion and the motion carried.

Miscellaneous correspondence was included in agenda packets.

Councilor Pelzel moved to file the December Police Report. Councilor Stevermer seconded the motion and the motion carried.

Councilor Schmidt moved to approve the December Cash Fund Balances as of 12/31/19. Councilor Braun seconded the motion and the motion carried.

Councilor Pelzel moved to approve and allow payment of the monthly bills in the amount of \$1,194,940.38 as presented. Councilor Stevermer seconded the motion and the motion carried.

There was no other business.

The meeting was properly adjourned at 4:57 p.m.

| | | | | | |
|-----------------------|-------------|------------|-----------------------|-------------|------------|
| Braun Oil | 47899 | 295.26 | Display Sales Co | 47900 | 115.75 |
| Ecolab | 47901 | 164.95 | Larry Heiderscheidt | 47902 | 350.00 |
| Lee Ibberson | 47903 | 350.00 | Matthew Ibberson | 47904 | 3,310.00 |
| Peace Light & Stone | 47905 | 1,854.88 | Plunketts Control | 47906 | 154.62 |
| SE Chamber | 47907 | 750.00 | Towns Edge Lumber | 47908 | 202.04 |
| Wurtzberger Const | 47909 | 960.00 | Auto Value | 47910 | 561.98 |
| Larry Braun | 47911 | 60.00 | Br Cty Recorders Off | 47912 | 20.00 |
| City of SE Dep Reg | 47913 | 21.75 | Little Sprouts Center | 47914 | 8,000.00 |
| MN Fire Service | 47915 | 115.00 | Doug PELzel | 47916 | 100.00 |
| Wayne Pelzel | 47917 | 100.00 | Joann Schmidt | 47918 | 458.81 |
| Schweiss Meats | 47919 | 935.22 | Nathan Stevermer | 47920 | 100.00 |
| Richard Zinniel | 47921 | 100.00 | Payroll | 47922-47932 | 35,899.16 |
| City of SE/PUC | 47933 | 5,099.57 | First Security | 47934 | 800,000.00 |
| SE Medical Center | 47935 | 667.66 | First Security | 47936 | 11.48 |
| Ameripride | 47937 | 237.36 | Cintas | 47938 | 124.54 |
| Crysteel Truck Equip | 47939 | 230.00 | Delta Dental | 47940 | 100.50 |
| Feder Mechanical | 47941 | 90.00 | First Security Bank | 47942 | 54.45 |
| Heiman Fire | 47943 | 664.84 | Hufcor | 47944 | 1,872.00 |
| Mediacom | 47945 | 64.07 | MN State Fire Chiefs | 47946 | 207.00 |
| MN Valley Testing | 47947 | 137.00 | MR Paving | 47948 | 675.62 |
| Network Services | 47949 | 185.14 | Pepsi Cola | 47950 | 157.00 |
| Quill Corporation | 47951 | 510.96 | Railway Bar & Grill | 47952 | 112.00 |
| Reliance Standard | 47953 | 597.04 | Redwood Cattlemens | 47954 | 100.00 |
| River View Sanitation | 47955 | 534.00 | St Marys Catering | 47956 | 800.00 |
| Salonek Construction | 47957 | 189,078.29 | SE Electric | 47958 | 82.53 |
| SE Medical Center | 47959 | 100.00 | Tech Unlimited | 47960 | 508.15 |
| Tow Distributing | 47961 | 272.65 | USA Blue Book | 47962 | 166.82 |
| Payroll | 47963-47971 | 24,752.44 | Alex Apparatus | 47972 | 423.56 |
| Amazon | 47973 | 765.54 | American Engineer | 47974 | 527.60 |
| Matt Andres | 47975 | 49.84 | Applied Concepts | 47976 | 320.00 |
| Arrow International | 47977 | 194.50 | Auto Value | 47978 | 202.71 |
| BJ Salon | 47979 | 83.58 | Berdan Plumbing | 47980 | 850.00 |
| BIC Graphics | 47981 | 1,840.00 | BCBS | 47982 | 22,173.80 |
| Bound Tree | 47983 | 187.49 | Braun Oil Co | 47984 | 57.21 |
| Brown County REA | 47985 | 290.65 | Captain Clean | 47986 | 1,900.00 |
| Centerpoint Energy | 47987 | 2,863.33 | City of SE-PUC | 47988 | 9,753.95 |
| CGMC | 47989 | 6,767.00 | Coast to Coast | 47990 | 159.96 |

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|----------------------|-------|-----------|-----------------------|-------|------------|--|--|
| Culligan | 47991 | 40.00 | Demco | 47992 | 48.80 | | |
| Ecolab | 47993 | 164.95 | Electric Pump | 47994 | 30,314.00 | | |
| First Security Bank | 47995 | 561.57 | Fun Express | 47996 | 17.54 | | |
| Cengage Learning | 47997 | 38.98 | Great MN Parks | 47998 | 150.00 | | |
| Heiderscheidt Aerial | 47999 | 655.00 | Sara Heinrichs | 48000 | 500.00 | | |
| Shari Hittesdorf | 48001 | 212.53 | Shari Hittesdorf | 48002 | 150.00 | | |
| Matthew Ibberson | 48003 | 180.00 | Innformation System | 48004 | 450.00 | | |
| Ingram Library | 48003 | 246.18 | J & L Printing | 48006 | 415.00 | | |
| Andrew Kelton | 48007 | 579.72 | KNUL | 48008 | 63.00 | | |
| Mark Kober | 48009 | 255.00 | Kurk Kramer | 48010 | 156.96 | | |
| Mary Ann Krebs | 48011 | 143.75 | Lacal Equipment | 48012 | 2,385.10 | | |
| Lake Side Auto Body | 48013 | 707.50 | J H Larson | 48014 | 7,815.10 | | |
| Laraway Roofing | 48015 | 115.00 | Bruce Lokensgard | 48016 | 93.00 | | |
| Larry Lund | 48017 | 589.00 | Mc Cabes Hdwe | 46018 | 793.50 | | |
| Peter Mc Garry | 48019 | 214.73 | Metro Sales | 46020 | 163.60 | | |
| Micro Marketing | 48021 | 79.99 | Miller Sellner | 48022 | 3,676.07 | | |
| Labor/Industry | 48023 | 351.71 | MN State Fire Dept | 48024 | 264.00 | | |
| Nuv era | 48025 | 1,305.08 | Nuvera | 48026 | 19.95 | | |
| Nuvera | 48027 | 40.73 | Northland Trust | 48028 | 130,852.50 | | |
| Northland Trust | 48029 | 26,495.00 | Northland Trust | 48030 | 113,939.84 | | |
| Northland Trust | 48031 | 62,715.00 | Northland Trust | 48032 | 15,140.00 | | |
| Plunketts | 48033 | 170.81 | Praixair Distribution | 48034 | 57.75 | | |
| Quill Corporation | 48035 | 207.96 | Red Feather Paper | 48036 | 34.10 | | |
| Central Region Corp | 48037 | 174.00 | Riverview Sanitation | 48038 | 20,829.87 | | |
| S & J Construction | 48039 | 3,052.00 | Aaron Schaumann | 48040 | 161.32 | | |
| Kari Schmidt | 48041 | 50.00 | Schutz Family Foods | 48042 | 112.72 | | |
| SE Herald Dispatch | 48043 | 1,131.20 | SE Repair Inc | 48044 | 2,301.26 | | |
| Chuck Spaeth Ford | 48045 | 40,934.99 | Andrew Steffl | 48046 | 50.00 | | |
| Lisa Steffl | 48047 | 25.50 | Sterling Codifiers | 48048 | 500.00 | | |
| Star Group LLC | 48049 | 83.40 | LTiedeken/Petty Cash | 48050 | 97.58 | | |
| Total Control | 48051 | 36.36 | Bernard Wenner | 48052 | 365.00 | | |
| West Side Garage | 48053 | 3,130.95 | Windschitl Refriger | 48054 | 3,300.00 | | |
| ZEP Sales/Service | 48055 | 241.51 | | | | | |

Wayne Pelzel, Mayor

Linda Tiedeken, City Clerk

January 24, 2019

The special meeting of the City Council of the City of Sleepy Eye was held at the Sleepy Eye Event Center, 110 12th Avenue NE, Sleepy Eye, MN at 6:30 p.m. on the 24th day of January 2019 per due call and notice. Mayor Wayne Pelzel opened the Public Improvement Hearing for the Proposed 2020-2021 Street and Utility Improvements with Councilors Nathan Stevermer, Douglas Pelzel, Joann Schmidt, Larry Braun and Gary Windschitl were present. Also, present were City Manager Mark Kober, City Attorney Alissa Fischer, Public Works Director Bob Elston, City Engineer Dave Palm and City Clerk Linda Tiedeken.

Engineer Palm presented information on the proposed improvements to streets, curb and gutters, storm sewers, sanitary sewers and watermains to 13 street segments, 6 blocks of alleys and the reconstruction of North Street. The project would be financed using bonding, utility fund reserves and special assessments. The estimated project cost is \$8,857,904. \$1,313,639 would be assessed to property owners. The City engineer reviewed the special assessment policy and project schedule. Councilor Pelzel moved to authorize the preparation of plans and specifications for the Proposed 2020-2021 Street and Utility Improvements. Councilor Stevermer seconded the motion and the motion carried.

Mayor Pelzel declared the hearing close and the meeting was properly adjourned at 7:45 p.m.

Wayne Pelzel, Mayor

Linda Tiedeken, City Clerk

February 12, 2019

The regular meeting of the City Council of the City of Sleepy Eye was held in the Council Chambers, 200 Main Street East, Sleepy Eye, MN at 7 p.m. on the 12th day of February 2019 per due call and notice. Mayor Wayne Pelzel and Councilors Gary Windschitl, Nathan Stevermer, Douglas Pelzel, Joann Schmidt and Larry Braun were present. Also, present were City Manager Mark Kober, City Attorney Alissa Fischer, Public Works Director Bob Elston, City Engineer Dave Palm, Police Chief Matt Andres, EDA Director Kurk Kramer and City Clerk Linda Tiedeken.

Mayor Pelzel presented Richard Zinniel with a plaque for his dedication and commitment to the City of Sleepy Eye and thank him for his years of service.

Councilor Braun moved to approve the minutes of the January 8, 2019 regular meeting and January 24, 2019 special meeting. Councilor Stevermer seconded the motion and the motion carried.

Mayor Pelzel made the following additional appointments to the boards and asked for Council approval.

| <u>Terms expire the 1st Regular Council Meeting of January</u> | | |
|---|----------------|------|
| Katelyn Pietig | Library Board | 2022 |
| Kayla Jacobson | Downtown | 2022 |
| Casey Coulson | EDA | 2023 |
| Mark Kober | EDA | 2023 |
| Kelli Truver | Hospital Board | 2022 |

Councilor Windschitl moved to approve the above Mayor appointments as stated. Councilor Pelzel seconded the motion and the motion carried.

Councilor Schmidt moved to approve new City Manager Kelli Truver's contract and appointment as City Manager effective March 1, 2019. Councilor Braun seconded the motion and the motion carried.

City Manager reported that there has not been an increase to the sewer rate for the last five years and is recommending a 5% increase which would generate an increase of \$20,000 in sewer income.

Councilor Schmidt moved to adopt the following resolution.

RESOLUTION 1 - 2019

Establishing Sewer Service Rates and Charges

WHEREAS, The City Council had adopted an Ordinance establishing a sewer service charge system for the City of Sleepy Eye by City Code, Title 8, Chapter 4 and 5.

WHEREAS, Section 8-1-2 of the City Code provides that rates and charges for sewer service shall be fixed by resolution of the City Council, and

WHEREAS, the rates were previously established by Resolution No, 5-2015,

NOW THEREFORE BE IT RESOLVED, that previously adopted Resolution No. 5-2015 and all other Resolutions inconsistent with this Resolution are hereby repealed and rates and charges are hereby established as follows:

- 1) Residential Users Class:
\$13.33 monthly connection charge plus \$1.10 per 100 cubic feet of metered water.
Metered water is defined as the average monthly metered water for the previous December, January and February months. Adjustments will be made yearly in March and reflected in the bill received in April and each month thereafter.
- 2) Nonresidential Users and Industrial Users Class:
\$13.33 monthly connection fee plus \$1.10 per 100 cubic feet of metered water.
Metered water for nonresidential users and industrial users shall be defined as current monthly metered water.
- 3) Multiple User Class:
Where one water meter, services both, residential and nonresidential or industrial users, the rates and charges will be based on the nonresidential and industrial users' class.

Where more than one user uses the same meter, regardless of class, each user shall pay the \$13.33 monthly connection fee. The user fee will be billed in its entirety to the party responsible for the water meter.
- 4) Outside the city limits users class rates for any user located outside the Corporate limits of the City shall be four times the applicable user class.

Users disconnecting their water service shall not be obligated to pay the monthly connection charge during the period of discontinuance.

Residential users who do not have an established three-month average user rate as above established shall be billed accordingly to the nonresidential and industrial user class.

The City shall install a water meter to determine flow for any user who has a private source of water. If the user refused to allow metering the water, the City may discontinue sewer service or estimate consumption.

Bill for sewer service shall be mailed on or before the 15th of each month and shall be due and payable at the net rate listed above if paid on or before the 25th of each month, at the Office of the City Clerk. After the 25th of each month, a charge of 5% will be added to the net bill which charge shall constitute a discount from the gross bill for payment within the specified period. If not paid after the 5th of the following month, and due notification, water utility service will be

discontinued. All bills shall be submitted to the person responsible for payment of the water bill for the property, where applicable.

This Resolution shall take effect with the March 2019 charges billed and payable in April 2019.

Dated February 12, 2019.

/s/ Wayne Pelzel

Wayne Pelzel, Mayor

ATTEST: /s/ Linda Tiedeken

Linda Tiedeken, City Clerk

Councilor Windschitl seconded the motion and the motion carried.

Steven Lingen, Park and Recreation Supervisor presented a quote of \$28,515.51 for a John Deere 3039R Compact Utility Tractor with mower deck for the Parks Department from Kibble Equipment with a trade in value of \$16,500.00 for the 2014 Case IH Farmall 40C. Councilor Pelzel moved to approve the purchase of the John Deere 3039R Compact Utility Tractor with mower deck. Councilor Braun seconded the motion and the motion carried.

Councilor Stevermer moved to not object to Knights of Columbus application for an exempt gambling permit for April 14, 2019 at St. Mary's Church, 636 1st Ave N. Councilor Braun seconded the motion and the motion carried.

City Attorney Fischer requested to schedule a workshop on rental licenses and inspections. Mayor Pelzel called for a special meeting for the workshop on February 27 at 11 am in the Council Chambers.

City Engineer Dave Palm present the following engineering report:

A. 2020 Street and Utility Improvements Project.

Public Improvement Hearing was held on January 24, 2019 and the Council has authorized the preparation of the plans and specifications.

Petitions from adjoining property owners will be need for the alley improvements.

B. 12th Avenue SE Improvement Project (adjacent to proposed Frontier Labs Lot).

Project includes 60 feet of surfacing and 240 feet of sewer, water and storm sewer improvements, invitation for bids was sent to 5 contractors. Received three bids for the project. M.R. Paving and Excavating, Inc. submitted the lowest bid of \$86,647.22.

Engineer estimate was \$88,000.00. Councilor Schmidt moved to accept the bid of \$86,647.22 from M.R. Paving and Excavating, Inc. Councilor Pelzel seconded the motion and the motion carried

C. 2019 Airport Lighting Project.

MNDOT Aeronautics has funds available from the 2019 fiscal year (7/1/18 – 6/30/19) for the airport lighting project. 95% of the \$377,000.00 lighting project could be paid by MNDOT Aeronautics and the balance of \$19,000.00 would be the city share. Work to be done July thru October 2019. Councilor Pelzel moved to authorize the city engineer to prepare plans and specifications and complete the grant request by May 31, 2019.

Councilor Stevermer seconded the motion and the motion carried.

D. 12th Avenue NE and St. Mary's Street Project.

Continuing to work on the design, plans, cost and funding summary.

E. Brown County Highway Improvements.

Waiting for an update from Brown County Highway Department on the construction project.

F. Brown County Ditch Systems Redeterminations.

Sent City watershed map to Brown County Ditch Viewers and attended the CD5 meeting on January 24, 2019.

City Manager Kober reported that an offer of \$33,500.00 has been received for Lots 7, 9 & 10, Block 1, Nelson Second Addition from Charles Hauser. Councilor Pelzel moved to accept Charles Hauser offer of \$33,500.00 for Lots 7, 9 & 10, Block 1, Nelson Second Addition, City of Sleepy Eye. Councilor Braun seconded the motion and the motion carried.

City Manager reported on the following:

A. Announced his retirement as of March 31, 2019.

B. Currently working with Kelli Truver on the transition to the City Manager position.

C. Councilor Stevermer moved to approve one day liquor permit to St. Mary's Church and School for Dinner theater on March 25, 2019. Councilor Windschitl seconded the motion and the motion carried.

Miscellaneous correspondence was included in agenda packets.

Councilor Schmidt moved to file the January Police Report and the January Cash Fund Balances as of 1/31/19. Councilor Stevermer seconded the motion and the motion carried.

Councilor Braun moved to approve and allow payment of the monthly bills in the amount of \$501,449.40 as presented. Councilor Pelzel seconded the motion and the motion carried.

There was no other business.

The meeting was properly adjourned at 8:30 p.m.

Wayne Pelzel, Mayor

Linda Tiedeken, City Clerk

February 27, 2019

A special meeting of the Sleepy Eye City Council was held in the Council Chambers, 200 Main Street East, Sleepy Eye, Minnesota, at 12 Noon on the 327th day of February 2019. Mayor Pelzel, Councilors Nate Stevermer, Larry Braun, Joann Schmidt, Gary Windschitl and Doug Pelzel were present. Also present was City Manager Mark D. Kober, City Attorney Alissa Fischer, and City Manager elect Kelli Truver. Also present was the blight committee and Matt Ibberson, Blight Inspector.

Discussion occurred in 3 areas, Rental License Procedures, Front yard parking and Boarded windows.

Much discussion occurred about the rental ordinance passed in 2006. City Attorney Alissa Fischer maintained that the ordinance was a good one that had not been easy to fully enforce and that inspections and licensing for rental properties has been suspended. She also noted changes that would be beneficial and the penalties for missed inspection appointments and repeated inspection requirements. Legal action to enforce the ordinance passed in 2006 had not been done and offenders simply would not meet inspectors at the rental properties. It was agreed that the license fee for rental homes and apartments would be \$100 for a two-year period. This applies to homes or apartments that are not required to be otherwise inspected by the State or Federal government already. Inspections needed every 2 years. The rest of the fees in the original ordinance will suffice, however the new ordinance will refer to all fees in a separate resolution. City Manager Mark Kober and Kelli Truver will negotiate with Matt Ibberson on rental inspections pay and scheduling. City Attorney will bring a new ordinance and resolution to the March 12, 2019 Council meeting for consideration.

Second area of discussion was parking in front yards. Now the ordinance requires that parking in front yards only be on gravel and concrete not on grass and dirt. Many suggestions were voiced on the parking issue. City Attorney Alissa Fischer stated that after research on about 60 City policies that a solution might be requiring only a percentage of front yards be allowed for parking. Discussion occurred on a myriad of possibilities. Kelli Truver asked the blight committee why this subject had come up and they stated that they had received complaints. When asked how many complaints were received the response was 2. She then asked if the discussion was warranted when only 2 complaints were heard. Council elected to leave the present requirement that front yard designated parking only be done on gravel or concrete as is now required.

Discussion occurred boarded up windows on building with broken windows and if a blight policy should be considered. Council elected to recommend the discussion to the new formed downtown revitalization committee who will be responsible for building standards.

There being no other business, the meeting was adjourned at 1:42.

Mayor Wayne Pelzel

Mark D. Kober, Clerk Pro Tem

March 12, 2019

The regular meeting of the City Council of the City of Sleepy Eye was held in the Council Chambers, 200 Main Street East, Sleepy Eye, MN at 7 p.m. on the 12th day of March 2019 per due call and notice. Mayor Wayne Pelzel and Councilors Gary Windschitl, Nathan Stevermer, Douglas Pelzel, Joann Schmidt and Larry Braun were present. Also present were City Manager Kelli Truver, City Attorney Alissa Fischer, Public Works Director Bob Elston, City Engineer Dave Palm, Police Chief Matt Andres, EDA Director Kurk Kramer and City Clerk Linda Tiedeken.

Councilor Windschitl moved to approve the minutes of the February 12, 2019 regular meeting and February 27, 2019 special meeting. Councilor Stevermer seconded the motion and the motion carried.

Mayor Pelzel opened the public hearing on the application of Haala Developments Inc. by David Haala for a zoning variance for the property located at 413 Ellsworth Street SE (Lot 1, Block 2, Haala's 6th Addition) to allow the placement of a modular house on pillars with a skirt of concrete style panels around the circumference of the house. Councilor Pelzel moved to deny the zoning variance because the zoning ordinance states that all houses shall be placed on a permanent lateral foundation and which complies with the Uniform Building Code as adopted in Minnesota, and which are solid for the complete circumference of the house and this will set a precedent for the future. Councilor Braun seconded the motion. City Attorney Fischer also added that the following undue hardships must be met to grant a variance 1. Property cannot be put to a reasonable use 2. Circumstances are unique to the property are not created by the landowner 3. Will not alter the essential character of the locality. All in favor and the motion carried.

Councilor Braun moved to approve the following permits to sell and display fireworks:

1. Sleepy Eye Fire Department to display fireworks on July 4, 2019 at Sleepy Eye Lake
2. Sleepy Eye Fireworks LLC, 617 Main Street West to sell fireworks
3. Freedom Station, 400 Main Street West to sell fireworks

Councilor Schmidt seconded the motion and the motion carried.

Councilor Schmidt moved to recertify city costs for mowing, snow removal and demo of house at 221 Water Street SE. Property will be sold at sheriff sale in 2019 for forfeiture of property taxes and previous expenses certified need to be recertified in order to be collected. Councilor Windschitl seconded the motion and the motion carried.

City Attorney Fischer reported on the following:

- A. Discussion was held on the new rental ordinance, inspections, rental permit fees and fines. Fees will be set by resolution. Mayor Pelzel asked to call for the first reading with a change to exclude renting to family members. Councilor Schmidt called for the first reading of Ordinance # 147, Second Series Rental Ordinance
- B. Councilor Pelzel called for the first reading of the Ordinance #148, Second Series Right of Way Ordinance. This ordinance will allow the city to regulate and register the structures (small cell towers) along the right of ways.
- C. Councilor Pelzel moved to approve an easement with Home Cemetery for a 66-foot-wide easement along the south side of Home Cemetery in exchange that if a sidewalk is constructed on the north side it will be next to the curb and if trees are removed it will be the city's responsibility to replace them and that all assessments would be covered by the

city. The city would be able to annex the cemetery property into the city. Councilor Stevermer seconded the motion and the motion carried.

- D. Councilor Windschitl called for the first reading of Ordinance No. 149, Second Series, An Ordinance to Sell Real Estate for Lots 5,6 and 7, Block 1, Nelson's Second Addition to Charles Hauser.

City Engineer Dave Palm reported on the following:

- A. 2020 Street & Utility Improvements Project
- a. Design Work is continuing on Kiefer Street from 3rd Avenue to 2nd Avenue, 3rd Avenue NE by the water tower, service roads on 3rd Avenue NW (Hwy 4), to add sidewalk on the south side of School Street and remove and replace sidewalk on east side of Allison Park.
 - b. Publish Notice in paper letting residents know a petition is required to blacktop an alley.
 - c. Field work on topo survey and existing conditions plans set is complete for segments 1, 2, 3, 5, 6, 7, & 12 Orange / Reconstruct Streets. Work on other segment as weather
- B. 12th Ave NE & St. Mary's St. Project
- a. Discussion on the keeping the sidewalk along 12th Avenue NE in the project was held. Councilor Windschitl moved to keep planned sidewalks in the project. Councilor Schmidt seconded the motion and voting in favor were Councilors Windschitl, Stevermer, Pelzel and Schmidt. Against was Braun. Motion carried.
 - b. Still working on cost and funding summary to include DEED & LRIP. Checking that the city is eligible for both and all eligible grant funds.
 - c. Still no correspondence with Canadian Pacific Railroad about the RR crossing.
 - d. Construction Schedule:
 - 2019 RR to do work on the tracks
 - 2020 Utilities, Grade and Gravel
 - 2021 Curb & Gutter and Bituminous Surfacing
 - e. 2019 Airport Lighting Project. Submit engineering agreement for consideration and approval. Request authorization to prepare plans and specifications, take the bids on May 14, 2019 and complete the grant request by May 15, 2019. Total project cost is \$80,000, 95% to be paid with the MNDOT aeronautics grant and the remaining 5% would be the city responsibility. Councilor Pelzel moved to authorization the preparation of the plans, specs, invitation for bids and submit the grant application. Councilor Braun seconded the motion and the motion carried.
- C. 12th Avenue SE (Adjacent to proposed Frontier Labs). Award was given to MR Paving.
- E. Upcoming Brown County Highway Imp. within City Limits. No further update since last period.
- F. Brown County Ditch Systems, Re-determinations. No further update since last period. Miscellaneous correspondence was included in agenda packets. Councilor Schmidt moved to file the January Police Report and the January Cash Fund Balances as of February 28, 2019. Councilor Stevermer seconded the motion and the motion carried.

Councilor Pelzel moved to approve and allow payment of the monthly bills in the amount of \$271,691.18 as presented. Councilor Windschitl seconded the motion and the motion carried.

There was no other business.

The meeting was properly adjourned at 8:30 p.m.

Wayne Pelzel, Mayor

Linda Tiedeken, City Clerk

April 9, 2019

The regular meeting of the City Council of the City of Sleepy Eye was held in the Council Chambers, 200 Main Street East, Sleepy Eye, MN at 7 p.m. on the 9th day of April, 2019 per due call and notice. Mayor Wayne Pelzel and Councilors Gary Windschitl, Nathan Stevermer, Douglas Pelzel, Joann Schmidt and Larry Braun were present. Also present were City Manager Kelli Truver, City Attorney Alissa Fischer, Public Works Director Bob Elston, City Engineer Dave Palm, Police Chief Matt Andres, EDA Director Kurk Kramer, Fire Chief Ron Zinniel and City Clerk Linda Tiedeken.

Councilor Pelzel moved to approve the minutes of the March 12, 2019 regular meeting with corrections. Councilor Windschitl seconded the motion and the motion carried.

Mayor Pelzel proclaimed May 2, 2019 as Arbor Day in the City of Sleepy Eye, Minnesota. The tree planting will be at 1:30 p.m. at South Park.

Mayor Pelzel reported that Josephine Rose from the Food Shelf had contacted him about relocating the Food Shelf in the former police office but the area is too small. Rose had contacted Christine Andres at the Chamber Office about the back area of the Community Center. Andres said the space is currently used as storage and that part of the building has its own entrance and cannot be access from inside the community center without a key. After further discussion the item was tabled until next month's meeting.

City Manager Truver reported on purchasing for 245 Main Street East (N65' of Lots 1 thru 3, Block 1, Brackenridge First Addition) from the county for \$250 on the condition that it is developed within three years or it will revert back to the county. Councilor Pelzel moved allow the property to remain with the county. Councilor Braun seconded the motion. Discussion followed on the City purchasing the property and leasing to the Chamber. The Chamber would be responsible for renovating the property. The cost of removing the underground tanks could be covered by Brownfield Grants if the city owns the property. EDA Director Kramer added that the citizens of Sleepy Eye would like to see more development in the downtown area and if the city does not take the initiative then who will. Councilor Windschitl stated that the money spend on this would be the same as a private individual asking the EDA for a loan to begin a business in the same location and no matter what the city will spend money on the property; also after three years if the city is not able to get some development started, the property would revert back to the county. City Attorney Fischer added that the city could voluntary let the property revert back to the county before the end of the three years. Voting in favor were: Councilor Pelzel and Braun. Voting against were: Councilors Stevermer, Windschitl and Schmidt. Mayor Pelzel called the motion had fail and call for any other motions. Councilor Schmidt moved that the Sleepy Eye Chamber of Commerce purchase the property for \$250 from the county and apply for grants for the improvements. No further discussion followed and Councilor Windschitl seconded the motion and the motion carried, voting in favor were: Councilors Schmidt, Windschitl and Stevermer. Voting against were: Councilors Pelzel and Braun. Mayor Pelzel declared the motion passed.

Mary Beth Botz presented a request by two of her Environment Science students, Dallas Bauer and Kyle Tauer to install a solar powered crosswalk beacon across St. Mary's Street West by St Mary's parking lot to the football field. This crossing would eliminate two patrol guards during school hours and provide safety after school hours. They have accepted a quote of \$8,566.07 from Tapco for the equipment and currently have raised \$3,800 in donations. The

project includes the assembly and installing the crossing, it then would become the property of the city. Councilor Stevermer moved to allow the installation of the crosswalk beacon. Councilor Windschitl seconded the motion and the motion carried.

City Manager Truver reported she has received an email from Tim Heymans, son of Philip Heymans offering his airport hangar located at the Sleepy Eye Airport to the city for \$5,000. Discussion followed on the possible uses of the hangar. Councilor Pelzel moved to purchase the hangar for \$5,000. Councilor Stevermer seconded the motion and the motion carried.

Councilor Stevermer called for the first reading of Ordinance #150, Second Series CenterPoint Energy Franchise Ordinance.

Fire Chief Zinniel presented the following individuals for approval by the council for Fire Department Openings:

Tyler Heiderscheidt
Aaron Bruggemann
Colten Borth
Logan Zuhlsdorf

Background checks have been completed, will be taking physicals and will take the oath at the May regular Fire Department meeting. They will drill with the department thru the summer and start fire fighter certification classes in December, to be completed in May 2020. Councilor Windschitl moved to approve Tyler Heiderscheidt, Aaron Bruggemann, Colten Borth and Logan Zuhlsdorf as members of the Sleepy Eye Fire Department. Councilor Braun seconded the motion and the motion carried.

City Attorney Fischer presented a recommendation from the Planning and Zoning Commission to require property pins be located for construction projects requiring building permits. Bolton and Menk quote for the survey service is \$700 to \$1,200 per property. Planning and Zoning also considered requiring locating the property pins when there is a property transfer and the survey cost could be included in the closing costs. Jay Gostonczik from Southpoint Financial Credit Union said that this would be a substantial amount added to the closing costs. After further discussion the item was tabled until next month's meeting.

Councilor Stevermer moved to approve a permit to sell fireworks to Schutz Family Foods, 900 Main Street East. Councilor Pelzel seconded the motion and the motion carried.

Councilor Stevermer moved not to object to the application of Sleepy Eye Sportsmen's Club raffles at Sleepy Eye Lake (Fishing Contest) on February 2, 2020 to the MN Gambling Control Board. Councilor Pelzel seconded the motion and the motion carried.

City Engineer Dave Palm reported on the following:

A. 2020 Street & Utility Improvements Project

Design Work is being done on all of the street segments.

Topo Survey & Existing Conditions Plans. Will work on segments as weather and schedule allows.

Should place a notice in the paper letting residents know a petition is required to pave alleys.

B. 12th Ave NE & St. Mary's St. Project

Design Review.

Held meeting with Schieffert's & Marti's regarding storm sewer & sloping easements.

City Attorney is working on Permanent Street & Utility Easement with Home Cemetery Assn.

Waiting for the agreement with Canadian Pacific Railroad

Wetlands Review meeting on April 10, 2019.

Current construction schedule

2019 - Railroad to do work on the tracks

2020 - Utilities & Grade & Gravel

2021 - Curb & Gutter and Bituminous Surfacing

C. 2019 Airport Lighting Project

Presented plans for removal and replacement of the main runway lights and a new wood frame building to house the lighting controls.

Request approval to advertise for bids, with bid opening May 9, 2019 and consideration of bid award at May 14, 2019 council meeting. Grant application to MNDOT due May 15, 2019.

Councilor Pelzel moved to approve plans and specs and advise for bids. Councilor Stevermer seconded the motion and the motion carried.

D. 12th Avenue SE (Adjacent to proposed Frontier Labs Lot)

Preconstruction Meeting held on April 4, 2019.

MR Paving & Excavating Inc. starting as soon as weather permits. Project to be completed by June 30, 2019.

E. Brown County Highway Improvements within the city limits

No update since last meeting.

F. Brown County Ditch Systems Re-determinations meetings

CD-72 4-17-19 @ 9:00AM - Final Landowner's Informational Meeting

Outside City Limits = 131.77 Acres / 19.02% Benefits / \$1142 Cost

Inside City Limits = 305 Acres / 32.7 % Benefits / \$1961

CD-5 4-17-19 @ 9:00AM - Final Landowner's Informational Meeting

Inside City Limits = 320 Acres / 2.1974 % Benefits / \$9,537

City Manager Kelli Truver reported on the following:

A. Will hold transfers and carryovers until May 14, 2019 council meeting.

B. Set finance meeting for April 16, 2018 at 12 noon.

City Attorney Fischer reported on the following:

A. Right of Way Ordinance. Councilor Stevermer called for the second reading of Ordinance #148, Second Series, An Ordinance Managing City Right-of-Way. Councilor Windschitl seconded the motion and the motion carried.

B. Sale of real estate to Charles Hauser. Councilor Pelzel called for the second reading of Ordinance No. #149, Second Series, An Ordinance for Selling Real Estate to Charles Hauser. Councilor Stevermer seconded the motion and the motion carried.

Miscellaneous correspondence was included in agenda packets.

Councilor Schmidt moved to file the March Police Report and the March Cash Fund Balances as of March 31, 2019. Councilor Braun seconded the motion and the motion carried.

Councilor Pelzel moved to approve and allow payment of the monthly bills in the amount of \$322,174.48 as presented. Councilor Windschitl seconded the motion and the motion carried.

There was no other business and the meeting was properly adjourned at 8:25 p.m.

Wayne Pelzel, Mayor

Linda Tiedeken, City Clerk

April 24, 2019

The special meeting of the City Council of the City of Sleepy Eye was held in the Council Chambers, 200 Main Street East, Sleepy Eye, MN at 12 noon on the 24th day of April, 2019 per due call and notice. Mayor Wayne Pelzel and Councilors Gary Windschitl, Nathan Stevermer, Douglas Pelzel, Joann Schmidt and Larry Braun were present. Also, present were City Manager Kelli Truver, City Attorney Alissa Fischer, Police Chief Matt Andres and City Clerk Linda Tiedeken.

City Manager Truver reviewed the Sleepy Eye Ambulance Service on call policy. Manager Truver had contacted Brandon Fitzsimmons, Employment and Labor attorney with Flaherty & Hood, PA if the ambulance employees on call hours are subject to minimum wage under State and Federal Fair Wage Standards. Employees are required to work three 12 hour shifts per month and response within 5 minutes to the ambulance garage. Currently on call time over 80 hours is paid at 1 ½ times and on call holiday pay. Brandon Fitzsimmons advised that the on-call time would not be considered over time according to the Fair Wage Standards but the City could make a policy to pay overtime and holiday pay for ambulance on call time. Ambulance Director Shari Hittesdorf stated that the overtime and holiday pay had already be approved by the council. After further discussion no changes were made to the on call pay policy. Also discussed was the Ambulance Director position was budgeted for 30 hours per week not 40 in 2019. A Finance Committee meeting was set for the 7th of May, 2019 at 12 noon to review the ambulance payroll budget.

Mayor Pelzel called for a motion to closed the meeting for consideration of allegations against City Manager Kelli Truver under Minn. Stat. 13D.05, subd 2(b). Councilor Pelzel moved to closed the meeting at 12:23 p.m. Councilor Braun seconded the motion and the motion carried.

Mayor Pelzel re-opened the meeting at 1:30 p.m. Councilor Pelzel moved that City Manager Kelli Truver be placed on administrative leave with pay, effective immediately until otherwise determined by the City Council. That Public Works Director Bob Elston be assigned to perform the duties and responsibilities of City Manager in addition to his Public Works Director duties and responsibilities as appropriate and practicable, effective immediately until otherwise determined by the City Council. That Mayor and Council President consult with legal counsel to draft and provide Ms. Truver and Mr. Elston with any appropriate notices and directives related to this decision. That the meeting involving this agenda item be continued to Monday, April 29, 2019 at 9 a.m. in the City Council Chambers. Councilor Schmidt seconded the motion and the motion carried.

There was no other business and the meeting was properly adjourned at 1:45 p.m.

Wayne Pelzel, Mayor

Linda Tiedeken, City Clerk

April 29, 2019

The special meeting of the City Council of the City of Sleepy Eye was held in the Council Chambers, 200 Main Street East, Sleepy Eye, MN at 9 a.m. on the 29th day of April, 2019 per due call and notice. Mayor Wayne Pelzel and Councilors Gary Windschitl, Nathan Stevermer, Douglas Pelzel, Joann Schmidt and Larry Braun were present. Also, present were Interim City Manager Bob Elston, City Attorney Alissa Fischer, Police Chief Matt Andres, EDA Director Kurk Kramer and City Clerk Linda Tiedeken.

Interim City Manager Elston presented an application for a permit to sell goods on a public street by Lola's Food Truck. City Attorney Fischer stated the city code requires a permit to sell goods on a public street and advise that council will need to review this requirement. Councilor Schmidt moved to approve the permit for Lola's Food Truck for Friday, May 3, 2019. Councilor Windschitl seconded the motion and the motion carried.

Mayor Pelzel called for a motion to closed the meeting for continuation of preliminary consideration of allegations against City Manager Kelli Truver under Minn. Stat. 13D.05, subd 2(b). Councilor Pelzel moved to closed the meeting at 9:05 a.m. Councilor Schmidt seconded the motion and the motion carried.

At 9:35 a.m. Mayor Pelzel re-opened the meeting and then recessed the meeting until called of the chair.

At 11:10 a.m. Council President Schmidt re-opened the meeting with Mayor Pelzel absent and then called for a motion to close the meeting. Councilor Schmidt moved to close the meeting at 11:11 a.m. Councilor Braun seconded the motion and the motion carried.

At 11:27 Council President Schmidt re-opened the meeting with Mayor Pelzel absent. Councilor Schmidt moved to approve that the separation agreement release between the City of Sleepy Eye and Kelli Truver be approved and that Mayor Wayne Pelzel work with legal counsel to provide Kelli Truver with any appropriate notices related to this discussion. Councilor Braun seconded the motion and the motion carried.

Council President Schmidt called for a motion to contact David Drown Associates Co. to search for a new city manager. Councilor Pelzel moved to reassign David Drown Associates Co. to assist in locating a city manager. Councilor Stevermer seconded the motion and the motion carried.

Interim City Manager Bob Elston will continue to perform the duties and responsibilities of the city manager.

There was no other business and the meeting was properly adjourned at 11:30 a.m.

Wayne Pelzel, Mayor

Linda Tiedeken, City Clerk

May 14, 2019

The special meeting of the City Council of the City of Sleepy Eye, Minnesota, acting as the Board of Equalization for the Annual Board of Review was held in the Council Chambers, 200 Main Street East, Sleepy Eye, MN at 6:30 p.m. on the 14th day of May 2019 per due call and notice. Mayor Wayne Pelzel called the meeting to order with Councilors Gary Windschitl, Nate Stevermer, Doug Pelzel, Joann Schmidt and Larry Braun in attendance. Also present were City Attorney Alissa Fischer, City Clerk Michelle Strate, Anne Grunet, County Assessor and Sean Gremmels, Appraiser.

Annette Johnson had requested a reduction in the value of her property located at 610 2nd Ave NW (002.016.003.04.040). Gremmel reported that upon further review he found that the property had an inaccurate condition grade. Motion was made by Councilor Pelzel to reduce the value of this property from \$135,479.00 to \$99,000.00. Councilor Braun seconded the motion and motion carried.

Tim and Jen Cleveland requested a reduction in the value of their property located at 312 Maple SE (002.120.003.10.100). Gremmel reported that upon further review he found that the property had an inaccurate condition grade. Councilor Pelzel made a motion to reduce the property value from \$107,000 to \$72,000. Councilor Schmidt seconded the motion. Voting in favor were Councilors, Schmidt, Braun, Pelzel and Stevermer. Councilor Windschitl voted against, motion carried. Meeting adjourned at 6:50 p.m.

The regular meeting of the City Council of the City of Sleepy Eye was held in the Council Chambers, 200 Main Street East, Sleepy Eye, MN at 7 p.m. on the 14th day of May, 2019 per due call and notice. Mayor Wayne Pelzel and Councilors Gary Windschitl, Nathan Stevermer, Douglas Pelzel, Joann Schmidt and Larry Braun were present. Also present were Interim City Manager Bob Elston, City Attorney Alissa Fischer, City Engineer Dave Palm, Police Chief Matt Andres, EDA Director Kurk Kramer, Fire Chief Ron Zinniel and City Clerk Michelle Strate.

Councilor Stevermer moved to approve the minutes of the April 9, 2019 regular meeting with corrections, the April 24, 2019 special meeting and April 29, 2019 special meeting. Councilor Schmidt seconded the motion and the motion carried.

The Finance Committee met on May 7, 2019 to discuss the process of hiring a new City Manager. It was approved to move forward with David Drown Associate. Councilor Pelzel made a motion to entertain and interview Angela Grafstrom before proceeding with the process with David Drown Associate. Councilor Braun second the motion. Discussion followed to have her as a finalist and complete the background check, however want to see who else is out there to interview. Liza Donabauer with David Drown indicated that the market is “hot” in this area due to several surrounding areas just completing the hiring process. Motion was amended by Councilor Pelzel to interview Angela as a finalist. Councilor Schmidt seconded the motion. Voting in favor were Councilors Schmidt, Windschitl, Stevermer and Pelzel. Voting against was Councilor Braun. The motion carried.

A Motion was made by Councilor Schmidt and seconded by Councilor Pelzel to move ahead with the interview process. Voting in favor were Councilors Schmidt, Windschitl, Stevermer and Pelzel. Voting against was Councilor Braun. The motion carried.

Motion made by Councilor Schmidt to set the interview dates for City Manager as August 8-9, 2019. Motion was seconded by Councilor Windschitl. Voting in favor were Councilors Schmidt, Windschitl, Stevermer and Pelzel. Voting against was Councilor Braun. The motion carried.

Councilor Schmidt indicated that the profile that was written for the City of Sleepy Eye needs to be changed to remove St. John's School from it, as the school is closing at the end of the 2019 Spring school year. A Motion was made by Councilor Schmidt to remove it. Motion was seconded to Councilor Stevermer. Voting in favor were Councilors Schmidt, Windschitl, Stevermer and Pelzel. Voting against was Councilor Braun. The motion carried.

Councilor Schmidt moved to approve the following plumbing permits:
Ron Berdan dba Berdan's Plumbing and Heating, 136 1st Avenue N, Sleepy Eye
Calvin Buddensick dba B & B Plumbing & Heating, 326 N Bagen Avenue, Springfield
Bruce's Plumbing & Heating Inc., PO Box 77, St James, MN 56081
Phlag Mechanical Inc dba Feeder Mechanical, 18 Drew Avenue NE, Madelia
James Hensel dba JP Plumbing & Heating, 1800 N State, New Ulm
Philip G. Kirschstein dba Schultz Plumbing & Heating & Drain Cleaning Inc, 1809 N Minnesota Street, New Ulm
Duane J. Javens dba Javens Mechanical Contracting Co., 59160 Madison Avenue, Mankato
Wayne V. Klassen dba Klassen Mechanical Inc, 7 River Street, New Ulm
Christopher M. Williams dba CW Plumbing LLC, 1320 N Payne Street, New Ulm
Gag Sheet Metal Inc. dba Schanus-Gag Plumbing, 103 3rd North, New Ulm
Kerkhoff Plumbing & Heating Inc., Adam Kerkhoff, owner, 106 Vernon Avenue, Morgan
Robert K Vee dba Vee Plumbing & Heating, 317 Benzel Avenue, Madelia
Gary Welter dba Welter Plumbing & Heating, 112 3rd Street E, Morgan
Brad A. Tatro, Tatro Plumbing & Heating, 25 First St. NW, Madelia
LA Plumbing & Heating LLC, Lawrence D. Allen, 310 N. Bagen Ave, Springfield
Stevermer seconded the motion and the motion carried.

Councilor Stevermer moved to approve the following liquor and beer licenses for July 1, 2019 to June 30, 2020:

JANU-4 Freedom, 400 Main Street West – Beer Off Sale -- \$50.00
Schutz Family Foods, 900 Main Street East – Beer Off Sale -- \$50.00
SE Baseball Assn, Sleepy Eye Baseball Park – Seasonal Beer On Sale -- \$100.00
SE Lanes, Lydell Sik, 140 1st Avenue S – Beer On Sale -- \$100.00
Meyers Bar & Lounge, Scott Meyer, 201 Main Street E, -- Liquor/Sunday Liquor -- \$2,450.00
Beer Off sale -- \$50.00
Servicemen's Club, 113 First Avenue S – Liquor/Sunday Liquor -- \$2,450.00
City of Sleepy Eye Event Center, 110 12th Avenue SE – Liquor/Sunday Liquor -- \$.00
Railway Bar & Grill, LLC, Daniel & Susan Helget, 300 1st Avenue N – Liquor/Sunday Liquor -- \$2,450.00
City Limits of Sleepy Eye Inc. Dale & Robin Schottle, 619 Main Street E – Liquor/Sunday Liquor -- \$2,450.00

Councilor Windschitl seconded the motion and the motion carried.

Councilor Stevermer moved to approve the following one-day beer permits:
Knights of Columbus, July 4, 2019, at Allison's Park
Sleepy Eye Baseball Association, Temporary, June 22, 2019 with rain date June 23, 2019, Prairieview Fields

Sleepy Eye Chamber of Commerce, August 16 & 17, 2019 at Allison's Park
St Mary's Church, 611 1st Avenue N, August 4, 2018 at 611 1st Avenue N (Church Festival)
Servicemen's Club, August 16, 2019, 113 1st Ave S.

Councilor Windschitl second the motion and the motion carried.

Councilor Pelzel moved not to object to the following applications to the MN Gambling Control Board:

7/9/19 Brown County Pheasants Forever #166 raffle at Servicemen's Club

7/1/19 St. Mary's Church calendar raffle

Councilor Stevermer seconded the motion and the motion carried.

Counselor Stevermer moved to approve the following Permits to Sell Goods on Public Street:

5/17/19 The 507 Food Company, 1600 Warren St. #13, Mankato

5/31/19 Lola Inc, 16 N. Minnesota St., New Ulm

Counselor Windschitl seconded the motion and the motion carried.

Mayor Pelzel discussed the Food Shelf relocating to the back of the Community Center. The fee would be \$250 a year to use it and if they are interested in fixing the floor, they are able to do that. July 1st the area will be available to the Food Shelf to move into. The City will be responsible to put a new door handle and keypad on the door. Councilor Braun made a motion to approve the Food Shelf moving to the back of the Community Center. Councilor Pelzel seconded and motion carried.

City Attorney Fischer discussed the Ordinance #150, Second Series CenterPoint Energy Franchise Ordinance, and indicated that it looks fine. City Engineer Dave Palm mentioned that we need to be sure to include in the Ordinance, that if the City needs to make any improvements it should be at CenterPoint's expense. Councilor Stevermer made a motion to accept the Second Reading of the Ordinance with the change requested by City Engineer Palm. Councilor Braun seconded and motion carried.

Mary Beth Botz presented a video by two of her Environment Science students, Dallas Bauer and Kyle Tauer to install a solar powered crosswalk beacon across St. Mary's Street West by St Mary's parking lot to the football field. They indicated that they have reached out to businesses for donations and are waiting to hear back from them. The total bid is \$8,566.07 from Tapco for the equipment and they have currently raised \$3,850 in donations. The project includes the assembly and installing the crossing, it then would become the property of the City. Councilor Stevermer moved to pay the remaining balance up to \$4,716, after all donations are received. Councilor Schmidt seconded the motion and the motion carried. A discussion after regarding future requests for funding for this type of project. It was discussed that each project would be evaluated as they come. This specific request is a safety issue.

City Attorney Fischer reported on the following:

- A. An open forum to take place on the rental inspections. It is set for June 6, 2019 at 6:00 p.m. at the Event Center The discussion will be: what is required for inspections and discuss a fee for the inspections.
- B. Councilor Schmidt called for the First Reading of Survey Ordinance for Planning and Zoning to require a survey when there is new construction, alteration or addition to a structure. A building permit will not be issued until a survey is presented. City Attorney

Fischer discussed exceptions for the need for the survey and will including applicable exceptions in the Ordinance.

- C. Discussion regarding Food Trucks in Sleepy Eye. 1. Does the Council want an Ordinance and should it be highly regulated or simple. 2. What will the fee be? Is it daily or seasonal? 3. Consider more trucks at the same time? 4. Where will they be parked? City Attorney Fischer will have a First Reading ready for next months council meeting.
- D. Councilor Stevermer called for First Reading to sell tax forfeited property to Larry and Lisa Pelzel for \$1,500 and waive any outstanding assessments.
- E. City Code, Section 7.3.4 regarding Lawn Mowing to be modified to include agents of the City or independent contractors.

City Engineer Dave Palm reported on the following:

- A. 2020 Street & Utility Improvements Project
Design Work and plans are ongoing.
Topo Survey & Existing Conditions Plans. Will work on segments as schedule allows. Should place a notice in the paper letting residents know a petition is required to pave alleys. Goal is to be ready by December/January to approve plans and expense.
- B. 12th Ave NE & St. Mary's St. Project
Design Review.
Schieffert's plat concept is developed & Marti's legal descriptions are completed. Permanent Street & Utility Easement has been approved & recorded with Home Cemetery
Discussion with Jim Krieger with Canadian Pacific Railroad. Working on a Construction Agreement and Easement Agreement. Need a permit for watermain crossing. Still working on Funding with DEED, LRIP, City/Assessments.
Met with LGU Rep on April 10, 2019 and he has sent us a review form to fill out. Construction schedule is 2020 – Utilities & Grade & Gravel; 2020 Fall – RR to work on the tracks; 2020 Fall – Open road with interim gravel surface; and, 2021 – Curb & Gutter and Bituminous Surfacing
- C. 12th Avenue SE (Adjacent to proposed Frontier Labs Lot)
MR Paving is 98% complete with utilities. Street gravel work to complete. Waiting on drier conditions. Partial Pay Estimate No. 1 = \$65,936.79. To be complete by June 30, 2019
- D. 2019 Airport Lighting Project
Consider bids received on May 9, 2019. Councilor Stevermer made a motion to award the Contract to Sleepy Eye Electric for \$170,810.00, contingent on MnDOT Aeronautics approval of the Grant, including engineering costs for total of \$250,900. 5% or \$12,545.00 is the City of Sleepy Eye's responsibility, and the remaining 95% is MnDOT Aeronautics. Councilor Braun seconded the motion and motion carried.
- E. Upcoming Brown County Highway Imp. within City Limits. No further update since last period.
- F. Brown County Ditch Systems, Re-determinations. CD-72 – West Part of the City
Outside City Limits = 131.77 Acres / 19.02% Benefits / \$1142 Cost; Inside City Limits = 305 Acres / 32.7 % Benefits / \$1961; May 21. Final Hearing on Redetermination CD-5 – North and Northwest Part of the City; Final Landowner's Info Mtg Inside City Limits = 320 Acres / 2.1974 % Benefits / \$9,537

Interim City Manager Bob Elston reported on the following:

- A. Review of sewer reconstruction fund annual report. Discussed the target for reconstruction fund. The target for now is \$1,308,000.00, we are currently at \$2,088,000.00 – which is the actual fund value.
- B. Carryovers for 2018, money not spent in 2018 carried over into this years budget. Councilor Stevermer made a motion to approve the Sewer Reconstruction Fund and carryovers. Seconded by Councilor Windschitl and motion carried.

There were no miscellaneous correspondence was included in agenda packets.

Chief of Police Andres reported about the signs at the ends of the town. The signs were currently not working with T-Mobile, new cards are coming with AT&T. Will be moving the signs periodically around the City. Looking at budgeting and adding a new investigator for the City of Sleepy Eye. Internal interviews in June and have someone named in July. Chief Andres indicated that the new building is fantastic. Not 100% moved over, minor things will be moved in next month. An Evidence Specialist will be coming next month and we want to follow regulations. Would like to request funds for 8 new evidence lockers in the amount of \$11,100.00, to meet State of MN Standards. These lockers preserve the chain of custody. City Manager Elston will review funds available. Tabled until next meeting.

Councilor Stevermer moved to approve the April Police Report and the April Cash Fund Balances as of April 30, 2019. Councilor Schmidt seconded the motion and the motion carried.

Councilor Schmidt moved to approve and allow payment of the monthly bills in the amount of \$553,105.63 as presented. Councilor Windschitl seconded the motion and the motion carried.

There was no other business and the meeting was properly adjourned at 8:43 p.m.

Wayne Pelzel, Mayor

Michelle Strate, City Clerk

June 11, 2019

The regular meeting of the City Council of the City of Sleepy Eye was held in the Council Chambers, 200 Main Street East, Sleepy Eye, MN at 7 p.m. on the 11th day of June, 2019 per due call and notice. Mayor Wayne Pelzel and Councilors Nathan Stevermer, Douglas Pelzel, Joann Schmidt and Larry Braun were present. Councilor Gary Windschitl was absent. Also present were Interim City Manager Bob Elston, City Attorney Alissa Fischer, City Engineer Dave Palm, Police Chief Matt Andres, EDA Director Kurk Kramer, Fire Chief Ron Zinniel and City Clerk Michelle Strate.

Councilor Braun moved to approve the minutes of the May 11, 2019 regular meeting. Councilor Schmidt seconded the motion and the motion carried.

Councilor Pelzel called for First Reading of the land swap with Schiefferts. The City would trade 70 acres of land in the Southern part of the Snow Farm for 42 acres of Schieffert Land in the NE corner.

Councilor Schmidt called for First Reading of the Tiedeken offer to purchase residential lot on Snow Farm for \$29,384.41 which includes assessments. Deferring sanitary sewer and water main. The breakdown of the cost is \$1,000 for the land and \$28,384.41 for assessments.

Motion made by Councilor Braun to approve a five-year agreement to allow NuVera install WiFi at Sportman's Park. They will install the cable/fiber and maintain it. The City will be responsible to supply two poles. Motion was seconded by Councilor Pelzel. The motion carried.

A Motion was made by Councilor Schmidt to set a date for July 1, 2020 for the property located at Lot 13, Block 1, 1st Addition to the Snow Farm, to be cleared. Motion was seconded by Councilor Stevermer and motion carried. City Manager Elston will prepare and mail letter to occupant notifying them of the notice to vacate the property.

Councilor Stevermer moved not to object to the following applications to the MN Gambling Control Board:

8/4/19 St. Mary's Church annual festival

Councilor Braun seconded the motion and the motion carried.

City Attorney Fischer reported on the following:

- A. Reported on the Rental Ordinance open forum that took place on June 6, 2019 at 6:00 p.m. Set a special meeting for council to go through the Ordinance on June 24, 2019.
- B. Surveying Ordinance. Councilor Schmidt called for Second Reading of the Ordinance #151, An Ordinance Requiring Surveying for Construction, Alterations, and Additions to Structures. Councilor Stevermer seconded the motion and motion carried.
- C. Went through the potential terms of the Food Truck Ordinance. Attorney Fischer stated that she will be making changes and bring back at the July meeting.
- D. Councilor Schmidt called for Second Reading for Ordinance #152 An Ordinance for Selling Real Estate to Larry & Lisa Pelzel. Councilor Stevermer seconded the motion and motion carried. Councilor Pelzel abstained from vote.

- E. City Code Ordinance. Councilor Braun called for Second Reading of Ordinance #153 An Ordinance Amending City Code Section 7-3-4, "City May Order Work Done". Councilor Pelzel seconded the motion and motion carried.

Sara Oberloh, representing the firm of Oberloh & Associates, LTD was present to review the FYE 12/31/18 audit report of the various funds of the city. Oberloh went over the internal control and compliance issues and explained the financial analysis. The City's total debt decreased by \$998,323 or 8.4% during the 2018 fiscal year. The audit must be filed with the State by June 30, 2019. Councilor Schmidt moved to approve the 2018 Audit Report. Councilor Braun seconded the motion and the motion carried.

City Engineer Dave Palm reported on the following:

- A. 2020 Street & Utility Improvements Project
Continuing with Design. Survey is nearly complete. Consideration Petition for T-Alley by Ron Myers & Neighbors between 1st and 2nd Ave NE
- B. 12th Ave NE & St. Mary's St. Project
Councilor Schmidt called for First Reading of the Plat including Lots and Right of Way on Elm.
Design / Plans are ongoing
Marti Easements are complete. Cemetery – Permanent Street & Utility Easement has been approved & recorded
CP Railroad – schedule to do RR work in fall of 2020
Funding – DEED – need resolution for City Funds allocation for project
Construction Schedule
- 2020 - Utilities & Grade & Gravel
 - 2020 Fall – RR to work on the tracks
 - 2020 Fall – Open road with interim gravel surface?
 - 2021 - Curb & Gutter and Bituminous Surfacing
- C. 12th Avenue SE (Adjacent to proposed Frontier Labs Lot)
MR Paving completed road surface gravel & bit.patch with utilities. Partial Pay
Estimate No. 1 = \$4,142.95. To be complete by June 30, 2019
- D. 2019 Airport Lighting Project
Consider MnDOT Aeronautics Grant Agreement
- E. Upcoming Brown County Highway Imp. within City Limits.
CSAH 34 & 35 / 1st Ave. N & St. Mary's & 3rd Ave NE
2021 construction Start. 1st Ave N. = Full Reconstruct
2022 St. Mary's & 3rd = Mill & Overlay & Misc ADA Fixes
CSAH 33 & 34 / Prescott St. & 4th Ave NW & Rice
Mill & Overlay & Misc ADA Fixes
CSAH 35 / 1st Ave. S. & Southdale
2024l Re-Construction
- F. Brown County Ditch Systems, Re-determinations. CD-72 – West Part of the City

Outside City Limits = 131.77 Acres / 19.02% Benefits / \$1142 Cost
Inside City Limits = 305 Acres / 32.7 % Benefits / \$1961
CD-5 – North and Northwest Part of the City
Inside City Limits = 320 Acres / 2.1974 % Benefits / \$9,537

Interim City Manager Bob Elston reported on the following:

- A. \$985,000 Grant – DEED wants to know we have funds we would dedicate so we can lock DEED funds. We will bond for it at the end of the project. Councilor Braun made motion to approve the Resolution. Councilor Stevermer seconded the motion and motion carried.

RESOLUTION NO. 2-2019
DEDICATING FUNDS TO
TWELVE AVENUE NE/ST. MARY’S STREET PROJECT

Be it resolved, that the City Council for the City of Sleepy Eye (hereinafter City), hereby has dedicated the cash sum of One Million Seven Hundred Sixty Thousand Two Hundred Fourteen and no/100ths (\$1,760,240.00) from Public Utility Funds to the Twelve Avenue NE/St. Mary’s Street Project within the City of Sleepy Eye, Brown County, Minnesota.

I certify that the above resolution was adopted by the City Council of the City of Sleepy Eye on June 11, 2019.

Wayne Pelzel, Mayor

I hereby certify and attest that the City Council of the City of Sleepy Eye, Minnesota, did pass the above Resolution on June 11, 2019, in accordance with the Charter Provisions and state laws provided therefore.

Dated: _____

Michelle Strate, City Clerk

State of Minnesota)
)ss.
County of Brown)

This instrument was acknowledged before me on _____, 2019, by Wayne Pelzel, as Mayor and by Michelle Strate, as City Clerk of the City of Sleepy Eye, a Municipal Corporation.

Notary Public

B. Resolution to authorize the City Manager and Mayor to sign for the Grant. Councilor Pelzel made a motion to approve the Resolution and Councilor Stevermer seconded. Motion carried.

**RESOLUTION
AUTHORIZATION TO EXECUTE
MINNESOTA DEPARTMENT OF TRANSPORTATION
GRANT AGREEMENT FOR AIRPORT IMPROVEMENT
EXCLUDING LAND ACQUISITION**

It is resolved by the **City of Sleepy Eye** as follows:

1. That the state of Minnesota Agreement No. **1034435**, "Grant Agreement for Airport Improvement Excluding Land Acquisition," for State Project No. **A0802-20** at the **Sleepy Eye Municipal Airport** is accepted.
2. That the _____ and _____ are
(Title) (Title)
authorized to execute this Agreement and any amendments on behalf of the
City of Sleepy Eye.

CERTIFICATION

STATE OF MINNESOTA

COUNTY OF _____

I certify that the above Resolution is a true and correct copy of the Resolution adopted by the

(Name of the Recipient)

at an authorized meeting held on the _____ day of _____, 2019
as shown by the minutes of the meeting in my possession.

Signature: _____
(Clerk or Equivalent)

CORPORATE SEAL /OR/ NOTARY PUBLIC

My Commission Expires: _____

There were no miscellaneous correspondence was included in agenda packets.

Chief of Police Andres reported that the signs at the ends of the town are working. It was discussed if the City can add a stop sign going East at intersection of 3rd Ave NE and St. Mary's.

Chief Andres indicated that an Evidence Specialist came to inspect the new Police Station and new evidence lockers are not needed.

Councilor Stevermer moved to approve the May Police Report and the May Cash Fund Balances as of May 31, 2019. Councilor Schmidt seconded the motion and the motion carried.

Councilor Schmidt moved to approve and allow payment of the monthly bills as presented. Councilor Pelzel seconded the motion and the motion carried.

There was no other business and the meeting was properly adjourned at 8:33 p.m.

Wayne Pelzel, Mayor

Michelle Strate, City Clerk

June 24, 2019

The special meeting of the City Council of the City of Sleepy Eye was held in the Council Chambers, 200 Main Street East, Sleepy Eye, MN at 7 p.m. on the 24th day of June, 2019 per due call and notice. Mayor Wayne Pelzel and Councilors Gary Windschitl , Nathan Stevermer, Douglas Pelzel, Joann Schmidt and Larry Braun were present. Also present were Interim City Manager Bob Elston, City Attorney Alissa Fischer, City Engineer Dave Palm, EDA Director Kurk Kramer, Fire Chief Ron Zinniel and City Clerk Michelle Strate.

Councilor Pelzel made motion to approve the Resolution from the State for MNLars for reimbursement of funds. Councilor Stevermer seconded the motion and motion carried.

RESOLUTION #4-2019
RESOLUTION REGARDING DEPUTY REGISTRAR
REIMBURSEMENT GRANT PROGRAM
SLEEPY EYE, MINNESOTA

WHEREAS, the Minnesota State legislature has allocated to the Minnesota Department of Public Safety an allotment of \$13,000,000 to be disbursed in grants to Deputy Registrars operating under the authority of the State of Minnesota. These funds are available to offset the negative financial impact created by the release of the Minnesota License and Registration System (MNLARS); and,

WHEREAS, the City of Sleepy Eye operates as a Deputy Registrar on behalf of the State of Minnesota and is required to utilize the MNLARS program; and,

WHEREAS, the State of Minnesota has determined the City of Sleepy Eye Deputy Registrar is eligible for \$26,978.07 in the form of a reimbursement grant; and,

WHEREAS, in order to apply for these funds, political subdivisions must sign a liability release form and submit a grant application along with a resolution authorizing the application for grant funds no later than June 30, 2019, to the Director of Driver and Vehicle Services; and,

WHEREAS, if grant funds are awarded, the City of Sleepy Eye must enter into an agreement with the Director of Driver and Vehicle Services governing the receipt reporting of the grant; receive and account in a manner meeting generally accepted government accounting principles sufficient to pass federal audit:

NOW, THEREFORE, BE IT RESOLVED that the City Council for the City of Sleepy Eye hereby authorizes the Mayor and City Manager to apply for a grant from the Minnesota Department of Public Safety, Driver and Vehicle Services for funds pursuant to MN Session Laws- 2019 1st Special Session, Article 1, Section 6 & Article 2, Section 36.

I certify that the above resolution was adopted by the City Council of the City of Sleepy Eye on June 24, 2019.

/s/ Wayne Pelzel

Wayne Pelzel, Mayor

I hereby certify and attest that the City Council of the City of Sleepy Eye, Minnesota, did pass the above Resolution on June 24, 2019, in accordance with the Charter Provisions and state laws provided therefore.

Dated: _____

/s/ Michelle Strate

Michelle Strate, City Clerk

State of Minnesota)
)ss.
County of Brown)

This instrument was acknowledged before me on _____, 2019, by Wayne Pelzel, as Mayor and by Michelle Strate, as City Clerk of the City of Sleepy Eye, a Municipal Corporation.

Notary Public

Councilor Schmidt made a motion to allow the Mayor or City Manager to sign the Construction and Maintenance Agreement with CP Railroad with changes. Councilor Windschitl seconded the motion and the motion carried.

Councilor Stevermer called for Second Reading of Ordinance #154 Selling Real Estate to David Schieffert and Timothy Schieffert and to accept the Purchase Agreement. Councilor Pelzel seconded and the motion carried.

Councilor Schmidt called for Second Reading of Ordinance #155 Establishing Sleepy Hollow Fifth Addition. Councilor Stevermer seconded the motion and motion carried.

Home Cemetery annexation is tabled until next meeting.

Attorney Fischer would like to set date for LMC Training for Roles and Responsibilities. She will set for week of July 22nd.

City Attorney discussed the Rental Inspection Ordinance. She reviewed a list of possible terms to be on the Ordinance. Also discussed were the fees and whether to offer an “Early Bird Discount”. Councilor Schmidt called for First Reading of the Rental Inspection Ordinance.

There was no other business and the meeting was properly adjourned at 1:17 p.m.

Wayne Pelzel, Mayor

Michelle Strate, City Clerk

July 2, 2019

The special meeting of the City Council of the City of Sleepy Eye was held in the Council Chambers, 200 Main Street East, Sleepy Eye, MN at 5 p.m. on the 2nd day of July, 2019 per due call and notice. Mayor Wayne Pelzel and Councilors Gary Windschitl, Nathan Stevermer, Douglas Pelzel, Joann Schmidt and Larry Braun were present. Also present were City Attorney Alissa Fischer, Public Utilities Commission and City Clerk Michelle Strate.

Liza Donabauer with David Drowns Associates was present. A vote was taken of each Council Member, Mayor and Public Utilities Commission for their top 3 candidates for City Manager. The top four candidates will be notified of interview dates. It was discussed if the process or if travel reimbursements need to be changed from previous. Councilor Pelzel made a motion to invite 4 candidates and approve the travel reimbursement. Councilor Schmidt seconded the motion and motion carried.

There was no other business and the meeting was properly adjourned at 5:20 p.m.

Wayne Pelzel, Mayor

Michelle Strate, City Clerk

July 9, 2019

The regular meeting of the City Council of the City of Sleepy Eye was held in the Council Chambers, 200 Main Street East, Sleepy Eye, MN at 7 p.m. on the 9th day of July, 2019 per due call and notice. Mayor Wayne Pelzel and Councilors Gary Windschitl, Nathan Stevermer, Douglas Pelzel, Joann Schmidt and Larry Braun were present. Also present were Interim City Manager Bob Elston, City Attorney Alissa Fischer, City Engineer Dave Palm, Police Chief Matt Andres, EDA Director Kurk Kramer, Fire Chief Ron Zinniel and City Clerk Michelle Strate.

Councilor Schmidt moved to approve the minutes of the June 11, 2019 regular meeting with corrections. Councilor Pelzel seconded the motion and the motion carried.

Councilor Pelzel moved to approve the minutes of the Special Meeting held on July 2, 2019 regular meeting with corrections. Councilor Windschitl seconded the motion and the motion carried.

Councilor Schmidt moved to approve the minutes of the Special Meeting held on June 24, 2019 regular meeting with corrections. Councilor Windschitl seconded the motion and the motion carried.

Councilor Schmidt made a motion to approve the sale of residential lot on Snow Farm for \$29,384.41 which includes assessments to Tiedeken. Deferring sanitary sewer and water main. The breakdown of the cost is \$1,000 for the land and \$28,384.41 for assessments. Motion was seconded by Councilor Windschitl and motion carried.

Councilor Pelzel made a motion to approve the new signs for the Sleepy eye Coffee Co. and Brewing. Motion was seconded by Councilor Stevermer and motion carried.

Mayor Pelzel discussed his recommendations for the next survey that the City would conduct. He proposed that a survey be conducted to 1/3 of the population of Sleepy Eye every other year starting in 2021. Discussion followed regarding the use of the results from previous surveys and allowing the Citizens to know what the results were. It was discussed and agreed that it would be reevaluated at a later time. Councilor Schmidt proposed SWAT analysis of the current survey to see if there are opportunities for improvement or where to go from here.

Councilor Schmidt discussed the online booking software for camping reservations. She has indicated that the City of Redwood is currently using a software and it works well. She has suggested that it would be looked at prior to making any decisions and then brought before the Park Board.

Councilor Braun has indicated that he is getting a lot of calls from residents regarding the garbage collection. Community members were present and expressed their complaints i.e. lights being too bright, trucks on wrong side of road, picking up in front of houses instead of alleys. Discussion is tabled until next meeting.

City Attorney Fischer reported on the following:

- A. Home Cemetery Board has approved the Annexation. Councilor Schmidt called for the First Reading
- B. Consider possible amendment to the dangerous dog ordinance. She is asking the Council to consider and review the dog ordinance and change the definition of "Dangerous Dog".
- C. Food Truck Ordinance to be tabled until next meeting
- D. Brought up social media policy and that the City should look into a policy for it.

- E. Rental Inspections. Councilor Pelzel called for a Second Reading of Ordinance #147 Rental Ordinance and Councilor Schmidt seconded. Motion carried.
- F. Rental Fees were discussed. Offering Early Bird Fee– up to 40% Discount and Renewal Fees up to 40% discount.
- a. Fees Presented were:

Rental License/Inspection Fees

| | |
|---|----------|
| Operating Without A License Penalty | \$500 |
| Failure to Keep Scheduled Appointment with Inspector | \$50 |
| Reinspection Fee for any re-inspections beyond two | \$25 |
| Willful neglect of Licensing Application | \$500 |
| Failure to comply with Inspection Requirements – 1 st Failure | \$25 |
| Failure to comply with Inspection Requirements – 2 nd Failure | \$50 |
| Failure to comply with Inspection Requirements – 3 rd Failure | \$100 |
| Immediate health and safety violations | \$25-100 |
| Rental License Fee | |
| <u>Eligibility for Multi-Unit Discount:</u> Multi-units discounts are only available to units seen by the inspector on the same day and at the same time. They can be located at different addresses/buildings/locations. | |
| Two-year license application – 1 unit | \$100 |
| Two-year license application – 2 units | \$150 |
| Two-year license application – 3-6 units | \$200 |
| Two-year license application – 7-10 units | \$300 |
| Two-year license application – 11-12 units | \$360 |
| Two-year license application – 13-24 units | \$500 |
| Two-year license application – 25 units & Up | \$700 |
| Early Bird Discount | |
| <u>Eligibility for Early Bird Discount:</u> The Early Bird Discount is only available to applications received on or before December 31, 2019. | |
| Rental License Renewal Fee (40% Discount) | |
| <u>Eligibility for Renewal Discount:</u> Renewal applications must be received prior to expiration of previous license to be eligible for renewal rates. | |
| Two-year license renewal – 1 unit | \$60 |
| Two-year license renewal – 2 units | \$90 |
| Two-year license renewal – 3-6 units | \$120 |
| Two-year license renewal – 7-10 units | \$180 |
| Two-year license renewal – 11-12 units | \$216 |
| Two-year license renewal – 13-24 units | \$300 |
| Two-year license renewal – 25 units & Up | \$420 |

Motion by Councilor Schmidt to approve the rental fees as presented. Councilor Pelzel seconded the motion and motion carried.

G. LMC Training – set for Tuesday, August 6, 2019 at 5:30 p.m.

City Engineer Dave Palm reported on the following:

A. 2020 Street & Utility Improvements Project

A Petition was received for the alley located by 1st Ave S to complete 50% of the alley at the cost of the residents. There is a downward slope coming out of the alley washing gravel into the storm sewer and paving it would mean that there would be less gravel washing downhill. Councilor Stevermer made a motion to approve the petition.

Councilor Braun seconded the motion and motion carried.

B. 12th Ave NE & St. Mary's St. Project

Information was gathered regarding including Elm NE – it would be an additional \$715,000 to pave/gutter/curb – we would save \$200,000 by not paving, curb and gutter it, and leaving it gravel. Without Elm Street it will be a 3% tax increase. If Elm Street is added it will be an additional 3% tax or \$40,000 Bond in 2020 (for a total of 6-6 ½ %).

Would suggest a 30 year Bond when project is complete. Councilor Schmidt made a motion to approve the project. Motion was seconded by Councilor Braun. Motion carried. Motion was then amended to add the Elm St NE as an alternate into the project.

Motion carried

Design / Plans are ongoing

Marti Easements need some revisions and considerations.

Cemetery easement is recorded

CP Railroad – schedule to work on in Fall of 2020. Agreements are needed yet.

Funding: DEED – received official Letter. Requests for modifications to application

C. 12th Avenue SE (Adjacent to proposed Frontier Labs Lot)

Project is complete

D. 2019 Airport Lighting Project

Awaiting signed Grant Agreement

E. Upcoming Brown County Highway Imp. within City Limits.

CSAH 34 & 35 / 1st Ave. N & St. Mary's & 3rd Ave NE

2021 construction Start. 1st Ave N. = Full Reconstruct

2022 St. Mary's & 3rd = Mill & Overlay & Misc ADA Fixes

CSAH 33 & 34 / Prescott St. & 4th Ave NW & Rice

Mill & Overlay & Misc ADA Fixes

CSAH 35 / 1st Ave. S. & Southdale

2024 Re-Construction

Interim City Manager Bob Elston reported on the following:

A. Set Budget Workshops:

a. July 17, 2019 at noon

b. July 24, 2019 at noon

c. July 30, 2019 at noon

- B. Set a date and time for walk through power plant with building committee. Set for July 16, 2019 at noon
- C. The stop sign requested at 3rd Ave & St. Mary's street is a County Road and is currently the County has the information to discuss.

There was no miscellaneous correspondence included in agenda packets.

Chief of Police Andres discussed the Service Road along Highway 4, located by Mark Kober. It was discussed to place a yellow line all along the service road. Mark Kober indicated that, if the yellow is done, he would not have any parking around his home. The 32 feet of yellow in front of Kober home is the longest stretch along the Hwy 4 in town. The police will park a car along the yellow line, in front of the Kober home, to allow the Councilors to drive and see what the visibility is going up on the service road. To be tabled.

Councilor Schmidt moved to approve the June Police Report and the June Cash Fund Balances as of June 30, 2019. Councilor Stevermer seconded the motion and the motion carried.

Councilor Pelzel moved to approve and allow payment of the monthly bills as presented. Councilor Windschitl seconded the motion and the motion carried.

Preliminary consideration of allegations against a City of Sleepy Eye Council member. Allegations against Councilor Braun. City Councilor Braun has made a request to close the meeting. Motion made by Councilor Pelzel to close the meeting and seconded by Councilor Windschitl. Motion Carried. Meeting closed at 9:01 p.m.

Meeting was opened at 9:52 p.m.

Councilor Schmidt made a motion that the City Council makes the following determinations:

1. The July 1 2019 emails from River View Sanitation co-owner, Brent Kucera to City Director of Public Works Bob Elston constitute a complaint against City Council Member Braun under the Code of Conduct.
2. The factual allegations in the emails state a sufficient claim of a violation of the Code of Conduct.
3. The complaint has been lodged in good faith and not for impermissible purposes such as delay.
4. A hearing will be held on the complaint on July 22nd at 5:30pm.

Motion was seconded by Councilor Windschitl. Motion carried.

There was no other business and the meeting was properly adjourned at 9:57 p.m.

Wayne Pelzel, Mayor

Michelle Strate, City Clerk

July 22, 2019

The special meeting of the City Council of the City of Sleepy Eye was held in the Council Chambers, 200 Main Street East, Sleepy Eye, MN at 5:30 p.m. on the 22nd day of July, 2019 per due call and notice. Mayor Wayne Pelzel and Councilors Gary Windschitl, Nathan Stevermer, Douglas Pelzel, Joann Schmidt and Larry Braun were present. Also present were Interim City Manager Bob Elston, City Attorney Alissa Fischer, Attorney Chelsea Bodin (via phone) with Flaherty & Hood, P.A., Chief of Police Matt Andres and City Clerk Michelle Strate.

Councilor Braun requested meeting be open.

Mayor Pelzel opened the meeting by reading the Minnesota Statute Section 13D.05 subdivision 2(b).

Councilor Braun was given an opportunity to present his side. He played a portion of the recording from the June 9, 2018 meeting wherein Mr. Kucera spoke regarding the garbage.

Discussion followed along with the opportunity for Councilors to question Councilor Braun.

Councilor Schmidt made a motion to have Independent Investigator investigate the circumstances of the complaint. Councilor Windschitl seconded the motion. Discussion followed and motion was voted down by all.

Recess was called at 6:25 p.m.

Mayor Pelzel called the meeting back in session at 6:36 p.m.

Councilor Schmidt made a motion that the City Council consult with legal counsel to hire a third-party investigator to investigate the complaint against Larry Braun of July 1, 2019. Motion was seconded by Councilor Windschitl. Voting in favor were Councilors Windschitl, Schmidt, Stevermer. Voting against was Councilor Pelzel. Motion carried.

Councilor Schmidt made a motion that City Council Member Pelzel act as the designated point of contact during the investigation. Motion was seconded by Councilor Windschitl and motion carried.

Meeting was properly adjourned at 6:44 p.m.

August 9, 2019

The special meeting of the City Council of the City of Sleepy Eye was held in the Council Chambers, 200 Main Street East, Sleepy Eye, MN at 12:30 p.m. on the 9th day of August, 2019 per due call and notice. Mayor Wayne Pelzel and Councilors Gary Windschitl, Nathan Stevermer, Douglas Pelzel, Joann Schmidt and Larry Braun were present. Also present were City Attorney Alissa Fischer and City Clerk Michelle Strate.

Interviews were conducted of the three candidates for City Manager, Devin Swanberg, Kenneth Cammilleri and Russell (Bob) Elston.

Recess was called at 2:4.

Mayor Pelzel called the meeting back in session at 3:02 p.m.

Liza Donabauer with David Drowns Associates read the feedback from the Department Heads, Sleepy Eye Community Members and the Public Utilities Commission.

Council Members and PUC were to vote for one candidate. Could vote for two if they chose to, but must indicate 1st selection and 2nd selection on ballot. Tally of votes from PUC, Council and Mayor:

Bob: 7 – 1st votes; 2 – 2nd votes

Kenneth: 1 – 1st vote; 2 – 2nd votes

Devin: 2 – 1st votes

Councilor Schmidt made a motion to offer the position of the Sleepy Eye City Manager to and negotiate the terms of employment with Bob Elston. Motion was seconded by Councilor Windschitl. Votes in favor were, Councilor Windschitl, Councilor Stevermer, Councilor Pelzel and Councilor Schmidt. Councilor Braun voted against. Motion carried.

Next discussion was the parameters of the contract to be negotiated. Discussion regarding the salary range. PUC was asked of Bob's current salary. It was determined that his current contract with benefits needs to be looked at prior to any negotiating. Councilor Stevermer made a motion to name the Finance Committee as the Contract Negotiating Committee. Motion was seconded by Councilor Schmidt. Motion carried.

Meeting was properly adjourned at 3:35 p.m.

August 13, 2019

The regular meeting of the City Council of the City of Sleepy Eye was held in the Council Chambers, 200 Main Street East, Sleepy Eye, MN at 7 p.m. on the 13th day of August, 2019 per due call and notice. Councilors Gary Windschitl, Nathan Stevermer, Douglas Pelzel, Joann Schmidt and Larry Braun were present. Also present were City Manager Bob Elston, City Attorney Alissa Fischer, City Engineer Dave Palm, Police Chief Matt Andres, EDA Director Kurk Kramer, Fire Chief Ron Zinniel and City Clerk Michelle Strate. Absent was Mayor Wayne Pelzel

Councilor Pelzel moved to approve the minutes of the July 9, 2019 regular meeting, July 22, 2019 and August 9, 2019 special meetings. Councilor Stevermer seconded the motion and the motion carried.

Councilor Schmidt presented a check for \$1,403.23 to the Melissa Braulick and Isaac Huiras, two members of the FFA for their help and efforts in raising funds for the 4th of July Fireworks.

Councilor Braun made a motion to approve the closing of 1st Avenue South on Friday, August 16, 2019 for the street dance. Councilor Stevermer seconded the motion and motion carried.

Councilor Stevermer made a motion to approve a \$500,000 Line of Credit to be set up with First Security Bank. The City Manager and/or City Clerk will have authority on the account. SEMC will request an advance from the City when they wish to be advanced funds. Motion was seconded by Councilor Pelzel and motion carried.

Chief of Police Andres indicated that he spoke with residents along the 600 block of 3rd Ave NW regarding allowing the street to be a one-way. 4 of the residences did not want a one-way and 2 were for it. Councilor Pelzel made a motion to remove 15 feet of yellow that is currently located at 541 3rd Ave NW beginning from the South and moving North. Motion was seconded by Councilor Windschitl. Those in favor were Councilor Stevermer, Windschitl, Schmidt and Pelzel. Councilor Braun voted against and motion carried.

City Attorney Fischer reported on the following:

- A. Requesting an Ordinance that a Summary Publication is appropriate for the Ordinance #147 Rental Ordinance. The cost to publish the Ordinance #147 Rental Ordinance is just under \$2,000.00. The City is able to publish the full Ordinance #147 Rental Ordinance in the City Library for a period of time. Councilor Stevermer called for the First Reading
- B. Consider possible amendment to the dangerous dog ordinance. Does the Council want to change the definition of "Dangerous Dog" when there is substantial injury. This is tabled until next month.
- C. Consider an Annexation for the "Schieffert Sliver". Councilor Pelzel called for First Reading.

City Engineer Dave Palm reported on the following:

- A. 2020 Street & Utility Improvements Project
Full Reconstruction Streets, Rehab Streets and Mill & Overlay Streets are all continuing with design. Coulson Alley and Ron Myers & Neighbors alley surveys are done and design to commence. Considering the Borth Memorial alley, waiting on MnDOT

B. 12th Ave NE & St. Mary's St. Project

Design / Plans are ongoing / Surveys to be completed for Event Center Parking Lot
There are three Marti Easements. 1. Permanent Utility Easement. The cost would be \$500 to Marti's; 2. Temporary Construction Easement. 2 acres @ \$1200/acre plus loss of 2.5 acres on south side. Additional \$1200 for this area; and, 3. Slot & Temporary Construction Easement. 4.34 acres @ \$1300/acre. The total cost for the three Easements would be \$9742.00. Councilor Windschitl made a motion to approve the three Easements. Councilor Schmidt seconded the motion and motion carried.

Motion was made by Councilor Windschitl to Lease the property east of 12th Ave NE (4.4 acres) back to Marti's for 5 years at \$0/per acre. Councilor Schmidt seconded the motion and motion carried.

Councilor Pelzel made a motion to approve a Slope Easement & Temporary Construction Easement with Central Region Coop, upon City Attorney Alissa Fischer's review. This is needed for tree clearing and for RR ditch sloping. Motion was seconded by Councilor Stevermer and motion carried.

CP Railroad Construction Agreement approved by RR & City Council. Easement Agreement is needed yet.

C. 2019 Airport Lighting Project is moving forward

Interim City Manager Bob Elston reported on the following:

- A. Motion was made by Councilor Schmidt to hold a Special Meeting set for August 28, 2019 at noon. This meeting is to allow for 2nd Readings of Annexations. Councilor Braun seconded the motion and motion carried.
- B. The County has denied a stop sign requested at 3rd Ave & St. Mary's street. They indicated that a stop sign is intended for intersection control, not for speed control.
- C. Possibility of refinancing the Hospital Bonds as there is a good interest rate. The refinance would save approximately \$200,000.
- D. Morecom submitted a proposal for new City Council Chambers Technology. The cost would be \$3,258.71 for Audio and \$2,957.00 for Video. Councilor Braun made a motion to move forward with Morecom for both audio and video. Motion was seconded by Councilor Stevermer. Voting in favor were Councilors Stevermer, Schmidt, Pelzel and Braun. Councilor Windschitl voted against and motion carried.

Motion was made by Councilor Stevermer to accept the Police Report and Cash Fund Balances. Motion was seconded by Councilor Braun and motion carried.

Councilor Schmidt moved to approve and allow payment of the monthly bills as presented. Councilor Pelzel seconded the motion and the motion carried.

There was no other business and the meeting was properly adjourned at 8:30 p.m.

Joann Schmidt, Councilor

Michelle Strate, City Clerk

August 28, 2019

The special meeting of the City Council of the City of Sleepy Eye was held in the Council Chambers, 200 Main Street East, Sleepy Eye, MN at 12:03 p.m. on the 28th day of August, 2019 per due call and notice. Mayor Wayne Pelzel and Councilors Gary Windschitl, Nathan Stevermer, Douglas Pelzel, Joann Schmidt and Larry Braun were present. Also present were City Manager Bob Elston, City Attorney Alissa Fischer and City Clerk Michelle Strate.

A motion was made by Councilor Schmidt to get the floor repaired in the Auditorium. An estimate to fill the open spots, replace boards and seal down boards will be sought. Councilor Pelzel seconded the motion and motion carried.

A motion was made by Councilor Pelzel to add the cost of sewer repair of approximately \$10,000 to the property taxes on 1st Ave North (Augustin and Jones). This will be added to taxes over period of 10 years at 3.5% interest rate. Motion was seconded by Councilor Stevermer and motion carried.

Councilor Stevermer made call for First Reading of Wedge Swap with David Haala. It is .125 acres and then deeding back our portion making the line straight.

Councilor Pelzel called for Second Reading of Home Cemetery Annexation. Councilor Pelzel seconded and motion carried.

Councilor Stevermer called for Second Reading to annex "Schieffert Sliver". Councilor Pelzel seconded and motion carried.

Councilor Schmidt called for Second Reading on #159 Ordinance on Summary Publication for #147 Ordinance Rental Ordinance. Councilor Braun seconded and motion carried.

Councilor Braun made a motion to accept the petition for curb and gutter received by Ed and Gerald Hornick. Hornicks will be responsible to pay for the entire cost of this. Motion was seconded by Councilor Stevermer and motion carried.

Councilor Stevermer made a motion to consider Resolution 5-2019 to authorize the Mayor and City Clerk to execute the MNDOT Airport Maintenance and Operation Grant Contract.

Resolution 5-2019

AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT OF TRANSPORTATION AIRPORT MAINENANCE AND OPERATION GRANT CONTRACT

It is resolved by the **City of Sleepy Eye** as follows:

1. That the state of Minnesota Contract Number is **1033586**.

“Airport Maintenance and Operation Grant Contract,” at the

Sleepy Eye Municipal Airport is accepted.

2. That the Mayor and City Clerk are
(Mayor, Chairperson, President, etc.) (Clerk, Auditor, Secretary, etc.)

Authorized to execute this Contract and any amendments on behalf of the

City of Sleepy Eye.

CERTIFICATION

STATE OF MINNESOTA

COUNTY OF Brown

I certify that the above Resolution is a true and correct copy of the Resolution adopted by the
City of Sleepy Eye

(Name of the Recipient)

at an authorized meeting held on the 28th day of August, 2019

as shown by the minutes of the meeting in my possession.

Signature: /s/ Michelle Strate
(Clerk or Equivalent)

CORPORATE SEAL /OR/

/s/ Deborah J. Brandl
NOTARY PUBLIC
My Commission Expires: 01-31-2020

Motion was seconded by Councilor Pelzel and motion carried.

Motion was made by Councilor Schmidt to accept the City Manager Employment Agreement with Bob Elston. Motion was seconded by Councilor Windschitl. Voting in favor were Councilors Windschitl, Stevermer, Pelzel and Schmidt. Councilor Braun voted against. Motion carried 4-1.

Meeting was properly adjourned at 12:26 p.m.

Wayne Pelzel, Mayor

Michelle Strate, City Clerk

September 10, 2019

The regular meeting of the City Council of the City of Sleepy Eye was held in the Council Chambers, 200 Main Street East, Sleepy Eye, MN at 7 p.m. on the 10th day of September, 2019 per due call and notice. Mayor Wayne Pelzel and Councilors Gary Windschitl, Nathan Stevermer, Douglas Pelzel, Joann Schmidt and Larry Braun were present. Also present were City Manager Bob Elston, City Attorney Alissa Fischer, City Engineer Dave Palm, Police Chief Matt Andres, EDA Director Kurk Kramer and City Clerk Michelle Strate.

Councilor Schmidt moved to approve the minutes of the August 13, 2019 regular meeting and August 28, 2019 special meetings. Councilor Windschitl seconded the motion and the motion carried.

Councilor Stevermer made a motion to approve the Resolution Approving the Issuance of General Obligation Hospital Revenue Refunding Bond, Series 2019A. This refinance will result in a total savings of no less than \$275,000.00. Current interest rate is 3.8% and new interest rate will be approximately 2%. Councilor Windschitl seconded the motion and motion carried.

Citizen Dick Zinniel requested garbage pickup be on the agenda and requested that Mark Beito speak on behalf of the citizens. A petition was signed by the citizens of Sleepy Eye that requested the Council to authorize a return to picking up garbage cans from the alley, when the alley is available. 244 signatures were collected and turned in prior to the Council Meeting. 6 were dismissed as they were not valid. 190 households were represented in these ballots. There are approximately 1500 households in Sleepy Eye. These petitions represent approximately 12.5% of the 1500 households. 23 more petitions were presented at the beginning of the Council Meeting. Councilor Windschitl made a motion for garbage pickup to follow code and generally pickup garbage in alleys just like it was done before. Councilor Braun seconded and motion carried. An amendment to the motion was made by Councilor Stevermer to let each resident choose where garbage is to be picked up. Motion was seconded by Councilor Windschitl and motion carried. City Manager Elston will contact RVS to discuss when this will be in effect.

Ken Brody with "Friends of Sleepy Eye Dog Park" spoke regarding building a fenced in park for dogs. The fence material would cost approximately \$15,000. It has been requested that this return to the Park Board and they work with people to raise funds for this, as the 2020 budget has been completed and there have not been any funds allotted for this.

City Manager Elston presented the Preliminary 2020 Budget to the Council with a 7% or \$92,580.00 increase. Councilor Pelzel made a motion to consider the preliminary adoption of the 2020 Budget. Councilor Braun seconded the motion and motion carried.

City Attorney Alissa Fischer reported on the following:

- A. Councilor Schmidt called for Second Reading of the Wedge Swap on the Snow Farm. Councilor Stevermer seconded and the motion carried.
- B. Consider amendment to dangerous dog ordinance. Councilor Pelzel called for First Reading to amend the definition of dangerous dog to: Put under "Potentially Danger Dog" a bite that inflicts substantial bodily harm on human being on public or private property.

- C. Consider amending the number of dogs allowed per residence. The ordinance currently allows 2 dogs in a house. Do we want to consider more? This is tabled until next meeting.
- D. Councilor Stevermer made a motion to approve the CenterPoint Agreement. Councilor Schmidt seconded the motion and motion carried.

City Engineer David Palm reported on the following:

- A. 2020 Street & Utility Improvements Project
Full Reconstruction Streets, Rehab Streets and Mill & Overlay Streets are all continuing with design.
- B. 12th Ave NE & St. Mary's St. Project
Design / Plans are ongoing / Surveys to be completed for Event Center Parking Lot. Easements with Marti are complete. Easement with Central River Cooperative is complete. Working on the Right-of-Ways and Easements. Annexation is sent off to the State.
- C. 2019 Airport Lighting Project is moving forward. Construction started today with setting up for some concrete.

There was no City Manager report

Motion was made by Councilor Schmidt to accept the Police Report and Cash Fund Balances. Motion was seconded by Councilor Braun and motion carried.

Councilor Pelzel moved to approve and allow payment of the monthly bills as presented. Councilor Windschitl seconded the motion and the motion carried.

Mayor was contacted by Sportsmen Club and they would plan to use the gun range on Wednesday nights. They are proposing to put a trap shooting team together through the school.

There was no other business and the meeting was properly adjourned at 8:50 p.m.

Wayne Pelzel, Mayor

Michelle Strate, City Clerk

October 8, 2019

The regular meeting of the City Council of the City of Sleepy Eye was held in the Council Chambers, 200 Main Street East, Sleepy Eye, MN at 7 p.m. on the 8th day of October, 2019 per due call and notice. Mayor Wayne Pelzel and Councilors Gary Windschitl, Nathan Stevermer, Douglas Pelzel, Joann Schmidt and Larry Braun were present. Also present were City Manager Bob Elston, City Attorney Alissa Fischer, City Engineer David Palm, Police Chief Matt Andres, EDA Director Kurk Kramer and City Clerk Michelle Strate.

Councilor Schmidt moved to approve the minutes of the September 10, 2019 regular meeting with correction. Councilor Pelzel seconded the motion and the motion carried.

Councilor Stevermer made a motion to return the garbage pickup back to the way it was – the previous collection method. Councilor Windschitl seconded the motion and motion carried. The garbage pickup will become effective November 18, 2019

Councilor Schmidt made a motion to approve the Sleepy Hollow 5th Addition zoning classification. Motion was seconded by Councilor Braun and motion carried.

Councilor Stevermer moved to approve the temporary on-sale liquor license for St. Mary's Church. Councilor Windschitl seconded the motion and the motion carried.

Councilor Stevermer moved not to object to a gambling permit for Knights of Columbus. Councilor Windschitl seconded the motion and motion carried.

City Attorney Alissa Fischer reported on the following:

- A. Councilor Windschitl called for Second Reading of the Ordinance #150 CenterPoint Agreement. Councilor Stevermer seconded and motion carried.
- B. Councilor Schmidt called for Second Reading of the Ordinance #161 Amendment to Dangerous Dog. Councilor Pelzel seconded the motion and motion carried.
- C. Next discussion was regarding the number of dogs. Currently the ordinance indicates total number of cats and dogs permitted shall not exceed two (2) per dwelling. Councilor Pelzel made a motion to leave the ordinance as is. Councilor Schmidt seconded the motion. Councilors Schmidt, Braun, Pelzel and Windschitl vote for and Councilor Stevermer voted against.
- D. Councilor Schmidt called for First Reading of the Home Cemetery Annexation. Mayor Pelzel called for a special meeting on Monday, October 21, 2019 at noon regarding this matter.
- E. Councilor Schmidt called for the First Reading of the Shade Tree Disease Control. Making an amendment to the Ordinance to add “and is infected” and strike “ash”. The homeowner would be responsible for the cost of testing if the tree is not on the boulevard.

City Engineer David Palm reported on the following:

- A. 2020 Street & Utility Improvement Project. Councilor Pelzel made a motion to approve the Petition to Pave the Alley where Mark Beito's property is. Councilor Windschitl seconded the motion and motion carried.
- B. 12th Avenue NE & St. Mary's St. Project. Councilor Pelzel made a motion to approve the plans and specs contingent on site control and State & DEED approvals. Councilor Stevermer seconded the motion and motion carried.
- C. 2019 Airport project is moving along

City Manager Elston reported on the following:

- A. SE Brewing liquor license. Would consider them a “Tap Room”. Have checked around and would suggest \$1200.00/year. Since renewals are in July, would suggest a prorated amount beginning December 1, 2019 at \$700 for 7 months. Councilor Stevermer made a motion to approve at \$1200/yr prorated through June of 2020 for \$700. Councilor Pelzel seconded the motion and motion carried.
- B. Councilor Stevermer made a motion to set the Truth-In-Taxation Meeting for December 10, 2019 at 6:30p.m. Motion was seconded by Councilor Schmidt and motion carried.
- C. The General Obligation Capital Improvement Bonds. It has been suggested to hold off on refinancing the Hospital Bond as the closing of Del Monte could affect our bond rating. We need to issue \$400,000.00 bond to replenish the City’s cash in the bank back up to 75% of our annual expenses. This bond issue will be \$616,000, which will also cover the cost of the new grader. Councilor Schmidt made a motion to issue a GO in Capital Implement Bond in amount of \$616,000.00. Councilor Pelzel seconded the motion and motion carried.

Councilor Schmidt made a motion to approve the Police and Cash Fund Balances.

Councilor Braun seconded the motion and motion carried.

Councilor Braun made a motion to Pay the Bills. Councilor Schmidt seconded and motion carried.

There was no other business and the meeting was properly adjourned at 8:10 p.m.

Wayne Pelzel, Mayor

Michelle Strate, City Clerk

October 17, 2019

The special meeting of the City Council of the City of Sleepy Eye was held in the Council Chambers, 200 Main Street East, Sleepy Eye, MN at 6 p.m. on the 17th day of October, 2019 per due call and notice. Mayor Wayne Pelzel and Councilors Gary Windschitl, Nathan Stevermer, Douglas Pelzel, Joann Schmidt and Larry Braun were present. Also present were City Manager Bob Elston, City Attorney Alissa Fischer and City Clerk Michelle Strate. Also present was Brandon Fitzsimmons from Flaherty & Hood Law Firm

Special meeting was called for preliminary consideration of allegations against a City of Sleepy Eye City Council Member under Minnesota Statutes, Section 13D.05, Subdivision 2(b). City Council member is Larry Braun. Councilor Braun has requested that the meeting remain open.

Items to consider:

1. Consider whether Councilor Braun engaged in any inappropriate conduct
2. Any standards he violated as a result of such conduct; and,
3. Any appropriate action the City should take.

The Draft Resolution is Attorney/Client Privilege. Council went through the draft resolution to approve or strike information. Once all information was gone through and decided, a recess took place to allow Attorney Fischer and Attorney Fitzsimmons to amend the resolution. Recess called at 6:20.

Meeting reconvened at 6:40p.m.

Formal Resolution was presented to Councilor Braun. Councilor Braun was given the opportunity to respond to the allegations before him which he did. One point that Councilor Braun raised was that more than 30 days had elapsed between the complaint being filed and the hearing.

Attorney Fitzsimmons indicated that the Formal Complaint was made on July 1, 2019 and a hearing on July 22, 2019 followed, with the decision to move forward with a formal investigation.

Councilor Schmidt made a motion to approve the Resolution with corrections. Councilor Windschitl seconded the motion and motion carried

RESOLUTION NO. 6-2019

RESOLUTION OF CENSURE AGAINST CITY COUNCIL MEMBER LARRY BRAUN

WHEREAS, in July 2017, the City of Sleepy Eye City Council (City Council) adopted a resolution in response to an investigation report summarizing allegations of misconduct made by City of Sleepy Eye (City) staff against City Councilor Larry Braun (Councilor Braun), which concluded that Councilor Braun had engaged in conduct as a City Council Member directed toward City employees outside of noticed City Council meetings characterized as threatening and/or demeaning to City employees, and undermining of the authority of City supervisory employees, making no findings regarding whether the conduct occurred as described, but making it clear the reported conduct is inappropriate and unacceptable as it is beyond the scope of the office and authority of any individual City Councilor.

WHEREAS, the City Council adopted later in 2017 the City of Sleepy Eye Code of Conduct for Elected and Appointed Officials (Code of Conduct) that primarily established standards of conduct for such officials and a process for handling alleged violations of such standards.

WHEREAS, River View Sanitation (RVS) is the exclusive refuse collection, transportation, and disposal provider within the City under a contract between the City and RVS.

WHEREAS, after meeting in closed session at its July 9, 2019 regular City Council meeting for preliminary consideration of allegations against Councilor Braun, the City Council duly approved a motion in open session that: (1) the July 1, 2019 emails from River View Sanitation (RVS) co-owner, Brent Kucera to City Director of Public Works Bob Elston constitute a complaint against Councilor Braun under the Code of Conduct (Complaint); (2) the factual allegations in the emails state a sufficient claim of a violation of the Code of Conduct; (3) the Complaint has been lodged in good faith and not for impermissible purposes such as delay; and (4) a hearing would be held on the Complaint on July 22, 2019 at 5:30 p.m.

WHEREAS, the City Council met on July 22, 2019 in open session to continue its preliminary consideration of allegations against City Council Member Larry Councilor Braun, including a hearing on the Complaint and a response from Councilor Braun after which the City Council duly approved a motion in open session that: (1) the City Council consult with legal counsel to hire a third-party investigator to investigate the Complaint against Larry Braun of July 1, 2019; and (2) City Council Member [Doug] Pelzel act as the designated point of contact during the investigation

WHEREAS, Michelle M. Soldo, Attorney & Consultant, Soldo Consulting, P.C (Investigator Soldo) conducted the investigation into the Complaint.

WHEREAS, Investigator Soldo completed a Confidential Memorandum regarding City of Sleepy Eye Complaint Investigation, dated October 7, 2019 (Investigation Memorandum), related to the Complain, which was provided to the City Council.

WHEREAS, Councilor Braun received the Investigation Memorandum on October 12, 2019 and was notified that he would have the opportunity to respond to the Investigation Memorandum at a special meeting of the City Council on October 17, 2019.

WHEREAS, The City Council did not conclude prior to these actions whether any sanction may be warranted as a result of the Complaint. Instead, the City Council investigated the Complaint to primarily determine the facts related to the Complaint and obtain an assessment of related matters from a third party neutral fact-finder.

WHEREAS, the City Council met on October 17, 2019 in open session for preliminary consideration of allegations against Councilor Braun in which Councilor Braun was given an opportunity to respond to the Investigation Memorandum.

NOW, THEREFORE, BE IT RESOLVED by the City of Sleepy Eye City Council, Sleepy Eye, Minnesota as follows:

1. The City Council finds that:

- A. On December 3, 2018, without Council authorization and, in contravention of the Code of Conduct, Councilor Braun called RVS Co-owner Brent Kucera, alleged that RVS was not abiding by its contact with the City, mentioned contacting a lawyer, and implied that RVS' contract with the City was in jeopardy.

- B. In response to the Complaint and during the investigation into the Complaint, Councilor Braun engaged in antagonistic and unprofessional behavior, direct evidence that he is capable of behaving in the caustic manner alleged by RVS Co-owner Brent Kucera.
2. The City Council concludes that Councilor Braun's above-conduct violates of Section 3 of the Code of Conduct stating:
- Subd. 1. After taking oath of office as an elected official, or accepting appointment to a City board or commission, every elected and appointed official of the City agrees to conduct themselves in accordance with the following standards of conduct:

.....
 - b. The Mayor and City council support the maintenance of a positive and constructive work place environment for City staff, private citizens and businesses dealing with the City. Officials shall recognize their roles, as delineated in the City charter, City code and state statutes and in individual dealings with City staff, and shall not interfere with, undermine or otherwise act inconsistently with the organizational structure of the City pursuant to which the City Council has delegated to the City Manager the duties and responsibilities to manage and supervise all operations of all City departments and to coordinate and direct the personnel functions of the City, including all responsibility for appointing and disciplining City employees.
 - c. The City is well-served when policy is shaped by a diversity of viewpoints, experiences and backgrounds; however policy discussions and debates shall at all times remain civil and respectful. Officials shall refrain from abusive conduct, personal charges or verbal attacks upon the character or motives of other members of the council, boards, commissions, staff or the public intended to disrupt and not further the City's business.
3. The City Council:
- A. Disapproves and condemns Councilor Braun's above-conduct
 - B. Finds and concludes that such conduct is acting beyond the scope of his office and authority
 - C. Disclaims any duty to defend or indemnify him for such unauthorized conduct or any liability or responsibility for claims arising therefrom.
 - D. Determines that this resolution constitutes a censure against Councilor Braun.
4. Councilor Braun is directed to not engage in any conduct that violates the above-standards or any other standards applicable to City Council members, and, that if he does, the City Council: (i) disapproves and condemns any such conduct; (ii) concludes and determines that such conduct would be acting beyond the scope of his office and authority;(iii) may take any appropriate action against him; and (iv) disclaims any duty to defend or indemnify him for such unauthorized conduct or any liability or responsibility for claims arising therefrom.
5. Councilor Braun is directed to not make any communication as a City Council member directly with City vendors that violates the above-standards.
6. Councilor Braun is prohibited from being assigned to any committee, liaison, or representative role for the City Council that relates to City refuse collection, transportation, and/or disposal.

7. That Mayor Wayne Pelzel consult with legal counsel to draft and provide Councilor Braun and Brent Kucera with any appropriate notice related to this resolution.

Passed and Adopted by the Council on this 17th day of October, 2019.

CITY OF SLEEPY EYE

By: Wayne Pelzel
Its Mayor

ATTEST:

By: Michelle Strate
Its City Clerk

There was no other business and the meeting was properly adjourned at 7:15 p.m.

Wayne Pelzel, Mayor

Michelle Strate, City Clerk

October 21, 2019

The special meeting of the City Council of the City of Sleepy Eye was held in the Council Chambers, 200 Main Street East, Sleepy Eye, MN at 12:00 p.m. on the 21st day of October, 2019 per due call and notice. Mayor Wayne Pelzel and Councilors Gary Windschitl, Nathan Stevermer, Douglas Pelzel, Joann Schmidt and Larry Braun were present. Also present were City Manager Bob Elston, City Attorney Alissa Fischer and City Clerk Michelle Strate.

Councilor Stevermer called for Second Reading of the Ordinance #162 Amending Ordinance #157 Annexing the Home Cemetery Property. Councilor Schmidt seconded the motion and the motion carried.

There was no other business and the meeting was properly adjourned at 12:02 p.m.

Wayne Pelzel, Mayor

Michelle Strate, City Clerk

November 12, 2019

The regular meeting of the City Council of the City of Sleepy Eye was held in the Council Chambers, 200 Main Street East, Sleepy Eye, MN at 7 p.m. on the 12th day of November, 2019 per due call and notice. Mayor Wayne Pelzel and Councilors Gary Windschitl, Nathan Stevermer, Douglas Pelzel and Joann Schmidt. Councilor Larry Braun was absent. Also present were City Manager Bob Elston, City Attorney Alissa Fischer, City Engineer Jordan Albrecht, Police Chief Matt Andres, EDA Director Kurk Kramer and City Clerk Michelle Strate.

Councilor Pelzel moved to approve the minutes of the October 8, 2019 regular meeting; October 17, 2019 special meeting and October 21, 2019 special meeting. Councilor Schmidt seconded the motion and the motion carried.

Discussion was had to amend the zoning ordinance that requires a survey. City Attorney Fischer will return to December meeting with language to amend the ordinance with two exceptions: 1. Non-conforming property to follow the same set back; 2. Set back plus more. Councilor Stevermer called for First Reading.

Councilor Windschitl made a motion to set polling place for 2020 Elections at the Sleepy Eye Community Center.

RESOLUTION #7-2019

DESIGNATING ANNUAL POLLING PLACE

Be it resolved, that the City Council for the City of Sleepy Eye pursuant to Minnesota Statute Section 204B.16, hereby designated the following polling place for 2020 elections for the First Ward and Second Ward:

Sleepy Eye Community Center, 115 2nd Avenue NE, Sleepy Eye, MN 56085

I certify that the above resolution was adopted by the City Council of the City of Sleepy Eye on November 12, 2019.

/s/ Wayne Pelzel

Wayne A. Pelzel, Mayor

I hereby certify and attest that the City Council of the City of Sleepy Eye Minnesota, did pass the above Resolution on November 12, 2019 in accordance with the Charter Provisions and state laws provided therefore.

Dated: November 12, 2019.

/s/ Michelle Strate

Michelle Strate, City Clerk

Councilor Pelzel seconded the motion and the motion carried.

Councilor Pelzel made a motion to approve the Resolution Awarding the \$616,000 GO Bond.

RESOLUTION NO. 8-2019

**RESOLUTION AWARDING THE SALE OF \$616,000
GENERAL OBLIGATION CAPITAL IMPROVEMENT PLAN BONDS,**

**SERIES 2019A;
FIXING THEIR FORM AND SPECIFICATIONS;
DIRECTING THEIR EXECUTION AND DELIVERY;
AND PROVIDING FOR THEIR PAYMENT**

BE IT RESOLVED By the City Council (the "Council") of the City of Sleepy Eye, Minnesota (the "City") as follows:

Section 1. Background.

1.01. Statutory Authorization. The City is authorized by Minnesota Statutes, Chapter 475, as amended (the "Act") and Section 475.521 of the Act to finance certain capital improvements under an approved capital improvement plan by the issuance of general obligation bonds of the City payable from ad valorem taxes. Capital improvements include acquisition or betterment of public lands, buildings or other improvements for the purpose of a city hall, library, public safety facility and public works facility (excluding light rail transit or any activity related to it, or a park, road, bridge, administrative building other than a city hall, or land for any of those facilities).

1.02. Capital Improvement Plan Authorizing Issuance of Bonds. On June 12, 2018, this Council held a public hearing (the "Public Hearing") regarding a five year capital improvement plan (the "Plan"), and the issuance of bonds in the maximum principal amount of \$750,000 to finance planned capital improvements, all in accordance with the Plan and the Act. The Plan authorizes the issuance of bonds to pay the cost of constructing, installing and equipping (i) the renovation of the City's former liquor store into a new police station, with offices, investigation rooms, bathrooms, evidence storage space and a garage addition for police vehicles, and (ii) the installation of security cameras and safety glass in the main City Hall corridor as well as the construction of safety exits in the City Council chambers (collectively, the "Project").

1.03. No Petition for a Referendum Received. This Council hereby determines that, within 30 days after the Public Hearing, no petition for a referendum on issuance of bonds pursuant to the Plan was received by the City in accordance with the Act.

1.04. Estimated Total Cost of Project Financed by Bonds. The City estimates that the total cost of the Project to be financed by the Bonds (hereinafter defined) is \$616,000, including costs of issuance of the Bonds.

1.05. Determinations of the City in Compliance with the Act. As required by the Act, this Council determines that:

- (i) the expected useful life of the Project will be at least five years;
- (ii) the amount of principal and interest due in any year on all outstanding bonds issued by the City under Section 475.521 of the Act, including the Bonds (hereinafter defined), will not exceed 0.16 percent of the taxable market value of property in the City for taxes payable in 2019; and
- (iii) the City is authorized by Section 475.60, Subdivision 2(9) of the Act to negotiate the sale of the bonds because the City has retained an independent municipal advisor, Northland Securities, Inc., in connection with the sale of the Bonds.

1.06. Issuance of the Bonds. It is necessary and expedient to the sound financial management of the affairs of the City to issue General Obligation Capital Improvement Plan Bonds, Series 2019A, in the total aggregate principal amount of \$616,000 (the "Bonds") pursuant to the Act to provide financing for the Project.

Section 2. Sale of Bonds.

2.01. Award to the Purchaser and Interest Rates. The proposal of Americana Community Bank, Sleepy Eye, Minnesota (the "Purchaser") to purchase the Bonds is found and determined to be a reasonable offer and is accepted, the proposal being to purchase the Bonds at a price of \$616,000, for Bonds bearing interest as follows:

Term Bonds due February 1, 2025 at 2.000%.

Term Bonds due February 1, 2030 at 2.500%.

2.02. Purchase Contract. The Mayor and the City Manager are directed to execute a contract with the Purchaser on behalf of the City.

2.03. Terms and Principal Amounts of Bonds. The City will forthwith issue and sell the Bonds to the Purchaser pursuant to the Act in the total principal amount of \$616,000. The Bonds will be originally dated as of December 5, 2019, in minimum denominations of \$1,000, numbered No. R-1 upward, bearing interest as above set forth and maturing on February 1 in the years and amounts as follows:

Term Bonds due February 1, 2025, in the aggregate principal amount of \$290,000.

Term Bonds due February 1, 2030, in the aggregate principal amount of \$326,000.

2.04. Optional Redemption. The City may elect to prepay the Bonds, in whole or in part, on any date at a price of par plus accrued interest.

2.05. Mandatory Redemption. The Bonds consist of two term bonds, which are subject to mandatory sinking fund redemption and shall be redeemed in part by lot at par plus accrued interest on the sinking fund installment dates and in the principal amounts as follows:

| <u>Sinking Fund Installment Date</u> | <u>Principal Amount</u> |
|--|-------------------------|
| <u>February 1, 2025 Term Bonds</u> | |
| 2021 | \$54,000 |
| 2022 | 57,000 |
| 2023 | 58,000 |
| 2024 | 60,000 |
| 2025 (maturity) | 61,000 |
| <u>February 1, 2030 Term Bonds</u> | |
| 2026 | \$62,000 |
| 2027 | 64,000 |
| 2028 | 65,000 |
| 2029 | 67,000 |
| 2030 (maturity) | 68,000 |

Section 3. Registration and Payment.

3.01. Registered Form. The Bonds will be issued only in fully registered form. The interest thereon and the principal amount thereof is payable by check or draft issued by the Registrar described herein.

3.02. Dates; Interest Payment Dates. Each Bond will be dated as of the last interest payment date preceding the date of authentication to which interest on the Bond has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Bond will be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case the Bond will be dated as of the date of original issue. The interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2020, to the registered owners of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not that day is a business day.

3.03. Registration. The City appoints the City Manager as the bond registrar, transfer agent, authenticating agent and paying agent for the Bonds (the "Registrar"). The City reserves the right at any time to appoint a third-party Registrar. The effect of registration and the rights and duties of the City and the Registrar with respect thereto are as follows:

(a) Register. The Registrar must keep at its office a bond register in which the Registrar provides for the registration of ownership of the Bonds and the registration of transfers of the Bonds entitled to be registered or transferred.

(b) Transfer of Bonds. Upon surrender for transfer of a Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar will authenticate and deliver, in the name of the designated transferee or transferees, a new Bond of a like principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until that interest payment date.

(c) Exchange of Bonds. When Bonds are surrendered by the registered owner for exchange the Registrar will authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. The Bond surrendered upon transfer will be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When a Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Bond until the Registrar is satisfied that the endorsement on the Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name a Bond is registered in the bond register as the absolute owner of the Bond, whether the Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Bond and for all other purposes and payments so made to registered owner or upon the owner's order will be valid and effectual to satisfy and discharge the liability upon the Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. The Registrar may impose a charge upon the owner thereof for a transfer of a Bond, sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to the transfer.

(h) Mutilated, Lost, Stolen or Destroyed Bond. If a Bond becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for a Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it and as provided by law, in which both the City and the Registrar must be named as obligees. The Bond so surrendered to the Registrar will be cancelled by the Registrar and evidence of such cancellation must be given to the City. If the mutilated, destroyed, stolen or lost Bond has already matured or been called for redemption in accordance with its terms it is not necessary to issue a new Bond prior to payment.

(i) Redemption. In the event any of the Bonds are called for redemption, notice thereof identifying the Bonds to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) not more than 60 and not less than 30 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to any registered owner, or any defect therein, will not affect the validity of the proceedings for the redemption of Bonds. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

3.04. Execution, Authentication and Delivery. The Bonds will be prepared under the direction of the City Manager and executed on behalf of the City by the signatures of the Mayor and the City Manager, provided that those signatures may be printed, engraved or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Bonds ceases to be such officer before the delivery of a Bond, that signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Bond will not be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution unless and until a certificate of authentication on the Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on a Bond is conclusive evidence that it has been authenticated and delivered under this Resolution. When the Bonds have been so prepared, executed and authenticated, the City Manager will deliver the same to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

3.05. Temporary Bond. The City may elect to deliver in lieu of a printed definitive Bond a typewritten temporary Bond in substantially the form set forth in Section 4 hereof. Upon the execution and delivery of the definitive Bond the temporary Bond will be exchanged therefor and cancelled.

Section 4. Form of Bond.

4.01. Form. Each Bond will be printed or typewritten in substantially the form as provided on the attached Exhibit A.

4.02. Approving Legal Opinion. The City Manager is directed to obtain a copy of the proposed approving legal opinion of Best & Flanagan LLP, Minneapolis, Minnesota, Bond Counsel to the City, which is to be complete except as to dating thereof and to cause the opinion to be printed on or accompany each Bond.

Section 5. Payment; Security; Pledges and Covenants.

5.01. Funds and Accounts. (a) Debt Service Fund. The Bonds are payable from the General Obligation Capital Improvement Plan Bonds, Series 2019A, Debt Service Fund (the "Debt Service Fund") hereby created, and the proceeds of the ad valorem taxes hereinafter levied (the "Taxes") are pledged to the Debt Service Fund. If a payment of principal or interest on the Bonds becomes due when there is not sufficient money in the Debt Service Fund to pay the same, the City Manager will pay such principal or interest from the general fund of the City, and the general fund will be reimbursed for those advances out of the proceeds of the Taxes levied by this Resolution, when collected.

(b) Construction Fund. The proceeds of the Bonds, together with any other funds appropriated by the City for the Project, will be deposited in a separate construction fund (the "Construction Fund") to be used solely to defray expenses of the Project. Any balance remaining in the Construction Fund after completion of the Project may be used to pay the cost in whole or in part of any other capital improvement identified in the Plan and instituted under the Act. When the Project is completed and the cost thereof paid, the Construction Fund is to be closed and any balance therein may be used to pay the cost in whole or in part of any other capital improvement instituted under the Act.

5.02. Pledge of Taxes. For the purpose of paying the principal of and interest on the Bonds, there is levied a direct annual irrevocable ad valorem tax upon all of the taxable property in the City, to be spread upon the tax rolls and collected with and as part of other general taxes of the City. The Taxes will be credited to the Debt Service Fund above provided and are in the years and amounts as established on Exhibit B attached hereto.

5.03. Certification to County Auditor/Treasurer as to Debt Service Fund Amount. It is determined that the estimated collection of the foregoing Taxes will produce at least five percent (5%) in excess of the amount needed to meet when due the principal and interest payments on the Bonds. The tax levy herein provided will be irrevocable until the Bonds are paid, provided that at the time the City makes its annual tax levies the City Manager may certify to the Brown County Auditor/Treasurer the amount available in the Debt Service Fund to pay principal and interest due during the ensuing year, and the County Auditor/Treasurer will thereupon reduce the levy collectible during such year by the amount so certified.

5.04. County Auditor/Treasurer's Certificate as to Registration. The City Manager is authorized and directed to file a certified copy of this Resolution with the Brown County Auditor/Treasurer and to obtain the certificate required by Section 475.63 of the Act.

Section 6. Authentication of Transcript.

6.01. City Proceedings and Records. The officers of the City are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Bonds, certified copies of proceedings and records of the City relating to the Bonds and to the financial condition and affairs of the City, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating

to the validity and marketability of the Bonds, and such instruments, including any heretofore furnished, may be deemed representations of the City as to the facts stated therein.

6.02. No Official Statement. It is determined that no official statement or prospectus has been prepared or circulated by the City in connection with the sale of the Bonds and that the Purchaser has made its own investigations concerning the City, as set forth in an investment letter of even date, receipt of which is acknowledged by the City.

6.03. Payment of Costs of Issuance. The City authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of certain issuance expenses directly to Northland Securities, Inc., municipal advisor to the City, on the closing date for the Bonds.

Section 7. Tax Covenants.

7.01. Tax-Exempt Bonds. The City covenants and agrees with the Purchaser that it will not take or permit to be taken by any of its officers, employees, or agents any action which would cause the interest on the Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become subject to taxation under the Code and applicable Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Bonds. To that end, the City will comply with all requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments and limitations on amount invested at a yield greater than the yield on the Bonds.

7.02. No Rebate. For purposes of qualifying for the small issuer exception to the federal arbitrage rebate requirements, the City finds, determines, and declares that the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City (and all subordinate entities of the City) during the calendar year in which the Bonds are issued and outstanding at one time is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

7.03. Not Private Activity Bonds. The City further covenants not to use the proceeds of the Bonds or to cause or permit them or any of them to be used, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

7.04. Qualified Tax-Exempt Obligations. In order to qualify the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the City makes the following factual statements and representations:

- (a) the Bonds are not "private activity bonds" as defined in Section 141 of the Code;
- (b) the City designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;
- (c) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) which will be issued by the City (and all subordinate entities of the City) during calendar year 2019 will not exceed \$10,000,000; and
- (d) not more than \$10,000,000 of obligations issued by the City during calendar year 2019 have been designated for purposes of Section 265(b)(3) of the Code.

7.05. Procedural Requirements. The City will use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations made by this Section.

Section 8. No Requirement of Continuing Disclosure. The Purchaser does not need to comply with the continuing disclosure requirements of Rule 15c2-12, promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, because the offering is in a principal amount less than \$1,000,000. Consequently, the City will not enter into any undertaking to provide continuing disclosure of any kind with respect to the Bonds.

Section 9. Defeasance. When all Bonds and all interest thereon have been discharged as provided in this Section, all pledges, covenants and other rights granted by this Resolution to the holders of the Bonds will cease, except that the pledge of the full faith and credit of the City for the prompt and full payment of the principal of and interest on the Bonds will remain in full force and effect. The City may discharge all Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full. If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

Passed and adopted by the City Council of the City of Sleepy Eye, Minnesota, this 12th day of November, 2019.

CITY OF SLEEPY EYE, MINNESOTA

/s/ Wayne Pelzel

Wayne Pelzel, Mayor

ATTEST:

/s/ Bob Elston

Bob Elston, City Manager

Councilor Schmidt seconded the motion and the motion carried.

Councilor Schmidt made a motion to approve the purchase of the 2016 JD Grader from RDO Equipment. Councilor Pelzel seconded the motion and the motion carried.

Councilor Windschitl made a motion to approve Resolution 9-2019 to allow Brown County to sell property located at 412 Maple St. SW at auction.

Resolution No. 9-2019

WHEREAS, the City of Sleepy Eye does not have a public use for Lot 9, Block 38 Original Plat, City of Sleepy Eye:

WHEREAS, the City of Sleepy Eye would like to have the said property placed on the tax rolls:

THEREFORE be it resolved by the City of Sleepy Eye City Council that Brown County be granted approval to auction said parcel.

Passed and approved this 12th day of November 2019.

/s/ Wayne Pelzel

Mayor

Attest: /s/Bob Elston

City Manager

Councilor Pelzel seconded the motion and motion carried.

City Attorney Alissa Fischer reported on the following:

- A. Councilor Pelzel called for Second Reading of the Ordinance #163 Shade Tree Disease Control. Councilor Schmidt seconded and motion carried.
- B. Railroad Easement is not ready.
- C. Councilor Schmidt called for the First Reading of the Home Cemetery Annexation. A legal description needs to be added.

City Engineer Jordan Albrecht reported on the following:

- A. 2020 Street & Utility Improvement Project. Continuing with the Design/Plans
- B. 12th Avenue NE & St. Mary's St. Project. Plans have been submitted to Brown County and State Aid.
- C. 2019 Airport project. Physical work is complete.

City Manager Elston reported on the following:

- A. Requested that the Truth-In-Taxation Meeting for December 10, 2019 be changed to begin at 7:00p.m.
- B. An estimate was received from Furniture Gallery for replacing carpet in City Hall. Councilor Pelzel made a motion to approve replacing the carpet up to \$11,767.76. Councilor Windschitl seconded the motion and motion carried.
- C. Rental Inspections. Working with a gentleman in New Ulm who currently works with the City of New Ulm for their inspections. Looking for January 1, 2020 start date.

Councilor Schmidt made a motion to approve the Police and Cash Fund Balances.

Councilor Windschitl seconded the motion and motion carried.

Councilor Pelzel made a motion to Pay the Bills. Councilor Windschitl seconded the motion and motion carried.

There was no other business and the meeting was properly adjourned at 7:44 p.m.

Wayne Pelzel, Mayor

Michelle Strate, City Clerk

December 10, 2019

The regular meeting of the City Council of the City of Sleepy Eye was held in the Council Chambers, 200 Main Street East, Sleepy Eye, MN at 7 p.m. on the 10th day of December, 2019 per due call and notice. Mayor Wayne Pelzel and Councilors Gary Windschitl, Nathan Stevermer, Douglas Pelzel and Joann Schmidt. Councilor Larry Braun was absent. Also present were City Manager Bob Elston, City Attorney Alissa Groen, City Engineer David Palm, Police Chief Matt Andres, EDA Director Kurk Kramer and City Clerk Michelle Strate.

Councilor Schmidt moved to approve the minutes of the November 12, 2019 regular meeting. Councilor Pelzel seconded the motion and the motion carried.

Mayor Pelzel appointed Linda Tiedeken to the Housing and Redevelopment Authority Board and requested Council approval. Councilor Windschitl made a motion to approve the Mayor's appointment. Motion was seconded by Councilor Pelzel and motion carried.

Councilor Windschitl made a motion to approve two community grants for Little Sprouts Learning Center. \$500 for 2019 and \$500 for 2020. Councilor Stevermer seconded the motion and motion carried.

Mayor Pelzel opened the Truth-In-Taxation Hearing. City Manager Elston reviewed the preliminary 2020 budget. The proposed tax levy is a 7% or \$92,500.00 increase from 2019. Councilor Pelzel moved to approve the final 2020 budget. Councilor Windschitl seconded the motion and the motion carried. Mayor Pelzel closed the hearing.

A motion was made by Councilor Windschitl to approve the purchase of a new play feature at the Water Park to replace the lily pads that broke. This new feature is a Shark. Councilor Stevermer seconded the motion and motion carried.

Councilor Pelzel made a motion to approve a reservation program called Perfect Minds for City of Sleepy Eye camping. The cost will be \$12,000 for the first year - \$6,000 for one time implementation fee and \$6,000 for the annual subscription fee. There will be \$6000 annual subscription fee for five years. This program will initially be used for camping reservations. We will expand into other features when we are ready. Councilor Windschitl seconded the motion and the motion carried.

Councilor Stevermer made a motion to approve to not waive the state's statutory tort limits. Motion was seconded by Councilor Schmidt and motion carried.

Councilor Schmidt made a motion to approve to certify unpaid bills to Brown County for collection on taxes. Councilor Windschitl seconded the motion and motion carried.

Councilor Stevermer made a motion to approve the write-off's of the PUC balances. Councilor Pelzel seconded the motion and motion carried.

Councilor Stevermer moved to approve the following annual tobacco license renewals effective January 1, 2020. Casey's Retail Co. dba Casey's General Store; Janu-4 LLC dba Freedom Valu Center; Scott J. Meyer dba Meyer's Bar and Lounge; and, Staples Enterprises Inc. dba ExpressWay-Sleepy Eye. Councilor Windschitl seconded the motion and motion carried.

Councilor Pelzel made a motion to consider Resolution 10-2019 adopting the recommendations of the City Council Finance Committee on employee wages. Motion was seconded by Councilor Schmidt and motion carried.

RESOLUTION 10-2019

BE IT RESOLVED, by the City Council of the City of Sleepy Eye, Minnesota as follows:

1. That the employee wage and salary schedule as recommended by the Finance Committee and detail on file with the City Clerk's office and attached hereto marked Exhibit A consisting of two pages with said adjustments to be effective December 30th, 2019, is hereby adopted. This includes full time, those part-time listed, and includes job classification adjustments.
2. It is the intent of the City Council to follow the recommendations of the Finance Committee for wage and salary plan adjustments in following years for those employees that are specifically noted to bring their salary in line for the position.

Dated December 10th, 2019

/s/ Wayne Pelzel
Wayne Pelzel, Mayor

ATTEST: /s/ Michelle Strate
Michelle Strate, City Clerk

Councilor Schmidt discussed the Dog Park and the designated area by the softball fields at Prairieview. It was recommended to send back to the Park Board to discuss further. This is tabled.

City Attorney Alissa Groen reported on the following:

- A. Councilor Schmidt made a motion for Second Reading of the Ordinance #164 Amending Ordinance No. 158 Second Series regarding the Annexation of Home Cemetery. Councilor Stevermer seconded the motion and motion carried.
- B. Discussion was had regarding the surveying ordinance and has been tabled. City Attorney Groen requested that if anyone has any further direction for changes in the ordinance that they bring forward.
- C. Councilor Pelzel made a motion to approve the 12th Avenue NE Railroad Easement for \$2500. Councilor Schmidt seconded the motion and motion carried.

City Engineer David Palm reported on the following:

- A. 2020 Street and Utility project, still working on plans and shooting for end of February for bids
- B. 12th Ave Project. The plans have been submitted to the County and the County signed and sent to the State.
- C. Airport Project. Final payment is due and then application will be made for grant reimbursement.

City Manager Elston reported on the following:

- A. Councilor Schmidt moved to approve the annual transfer to balance cash; General Fund to EDA, Sewer fund to General Fund and Street fund to debt. Councilor Windschitl seconded the motion and motion carried.
- B. Councilor Stevermer made a motion to approve the annual PUC board salaries approved by the Public Utilities Commission. Councilor Windschitl seconded the motion and motion carried.

C. Rental inspections will begin January 2020. Aaron Wilfahrt will be conducting the rental inspections on Mondays in Sleepy Eye beginning January 6, 2010. Early Bird Discounts will be moved to January 1 – March 31, 2020. Councilor Stevermer made a motion to approve the Resolution.

RESOLUTION 11-2019

RESOLUTION ESTABLISHING FEES REGARDING RENTAL LICENSING AND INSPECTIONS IN THE CITY OF SLEEPY EYE

Be it Resolved, that the City Council for the City of Sleepy Eye (hereinafter City), hereby has established the following fee schedule as it relates to City rental licensing and inspections:

Rental License/Inspection Fees

| | |
|---|------------------|
| Operating Without A License Penalty | \$500 |
| Failure to Keep Scheduled Appointment with Inspector | \$50 |
| Reinspection Fee for any re-inspections beyond two | \$25 |
| Willful neglect of Licensing Application | \$500 |
| Failure to comply with Inspection Requirements – 1 st Failure | \$25 |
| Failure to comply with Inspection Requirements – 2 nd Failure | \$50 |
| Failure to comply with Inspection Requirements – 3 rd Failure | \$100 |
| Immediate health and safety violations | \$25-100 |
| Rental License Fee | |
| <u>Eligibility for Multi-Unit Discount:</u> Multi-units discounts are only available to units seen by the inspector on the same day and at the same time. They can be located at different addresses/buildings/locations. | |
| Two-year license application – 1 unit | \$100 |
| Two-year license application – 2 units | \$150 |
| Two-year license application – 3-6 units | \$200 |
| Two-year license application – 7-10 units | \$300 |
| Two-year license application – 11-12 units | \$360 |
| Two-year license application – 13-24 units | \$500 |
| Two-year license application – 25 units & Up | \$700 |
| Early Bird Discount | At Renewal Rates |
| <u>Eligibility for Early Bird Discount:</u> The Early Bird Discount is only available to applications received on or before March 31, 2020. | |
| Rental License Renewal Fee (40% Discount) | |
| <u>Eligibility for Renewal Discount:</u> Renewal applications must be received prior to expiration of previous license to be eligible for renewal rates. | |
| Two-year license renewal – 1 unit | \$60 |
| Two-year license renewal – 2 units | \$90 |
| Two-year license renewal – 3-6 units | \$120 |
| Two-year license renewal – 7-10 units | \$180 |
| Two-year license renewal – 11-12 units | \$216 |
| Two-year license renewal – 13-24 units | \$300 |
| Two-year license renewal – 25 units & Up | \$420 |

I certify that the above resolution was adopted by the City Council of the City of Sleepy Eye on December 10, 2019.

/s/ Wayne Pelzel
Wayne Pelzel, Mayor

I hereby certify and attest that the City Council of the City of Sleepy Eye, Minnesota, did pass the above Resolution on December 10, 2019, in accordance with the Charter Provisions and state laws provided therefore.

Dated: December 10, 2019

/s/ Michelle Strate
Michelle Strate, City Clerk

State of Minnesota)
)ss.
County of Brown)

This instrument was acknowledged before me on December 10, 2019, by Wayne Pelzel, as Mayor and by Michelle Strate, as City Clerk of the City of Sleepy Eye, a Municipal Corporation.

Notary Public

Councilor Windschitl seconded the motion and motion carried.

Councilor Schmidt made a motion to approve the Police and Cash Fund Balances. Councilor Stevermer seconded the motion and motion carried.

Councilor Pelzel made a motion to Pay the Bills. Councilor Windschitl seconded the motion and motion carried.

There was no other business and the meeting was properly adjourned at 8:15 p.m.

Wayne Pelzel, Mayor

Michelle Strate, City Clerk