

## MINUTES OF THE MINNEOTA CITY COUNCIL MEETING

PURSUANT TO CALL AND DUE NOTICE THEREOF, THE CITY COUNCIL OF THE CITY OF MINNEOTA, COUNTY OF LYON, STATE OF MINNESOTA, MET IN REGULAR SESSION IN THE CITY COUNCIL CHAMBERS ON MONDAY, DECEMBER 12, 2016 AT 6:30 P.M.

**COUNCIL PRESENT:** Mayor Bill Ufkin  
Council Member Mary Johnson  
Council Member Tim Koppien  
Council Member Nancy Reisdorfer  
Council Member Jerry Teigland

**STAFF PRESENT:** Shirley Teigland

**OTHERS PRESENT:** Travis Gillund, Byron Higgin, Bruce Novotny, Amber Rodas,  
John Rolbiecki

### **ITEM 1: CALL TO ORDER**

Mayor Bill Ufkin called the regular monthly meeting to order at 6:30 p.m.

### **ITEM 2: CALL FOR AGENDA ADDITIONS**

The Administrator asked that the following items be added: Property/Casualty Insurance Dividend Report, MPCA Inspection Report – 2016 Adams Project, Extra Bills Register - \$5,054.63, Notification Letter from DEED, and Resolution 16-26.

### **ITEM 3: ADOPT AGENDA**

Koppien motioned, seconded by Johnson, to adopt the agenda as amended with the additions as listed above. MOTION PASSED UNANIMOUSLY

### **ITEM 4: APPROVE MINUTES**

The Council reviewed the prior month Council meeting minutes. With no questions or additional comments Johnson motioned, seconded by Reisdorfer to approve the November 14, 2016 Regular Council meeting minutes. MOTION PASSED UNANIMOUSLY

### **ITEM 5: REPORTS AND UPDATES**

(5a) - The Council reviewed the December 2, 2016 Police report as submitted by Chief Bolt; (5b) – the current Financial Report as submitted by Administrator Teigland; (5c) – the September 13, 2016 Library Board Minutes as submitted by Mary Buysse; (5d) – the Final Active Living Plan as submitted by Max Kaufman; (5e) – the Property/Casualty Insurance Dividend in the amount of \$18,779.00; (5f) – the MPCA Inspection Report as submitted by Abram Peterson stating that no significant issues were identified that needed to be addressed.

### **ITEM 6: APPROVE DISBURSEMENTS**

Koppien motioned, seconded by Johnson to approve the payment of \$554,337.79 (as listed on the check register summary), to approve the payment of \$46,718.85 (as listed on the payroll check register) and to approve the payment of \$5,054.63 in additional bills (as listed on the second check register summary). MOTION PASSED UNANIMOUSLY

### **ITEM 7: CONCERNED CITIZENS**

Bruce Novotny reviewed his proposed 2017 tax statement with the Council and questioned why the property values tend to fluctuate so much from year to year. During the discussion it was noted that property values are directly impacted by the sales of property and adjustments are made annually by the assessors based on a formula as written in the State of Minnesota property tax regulations. Constant value changes are generally

more pronounced due to the limited sales in a City our size. 2016 showed values decreased on average 12-15% and in 2017 the values increased 15-20%. Questions regarding the value of property are addressed by the Board of Appeals and Equalization in April each year and only at that time can a determination be made as to whether taxable property in the City has been properly valued and classified by the assessor.

**ITEM 8: 2016 ADAMS PROJECT**

Teigland motioned, seconded by Koppien to approve Pay Request #5 in the amount of \$522,462.69 and pay Duininck, Inc. for work completed through November 4, 2016 on the 2016 Adams Street Improvements Project. MOTION PASSED UNANIMOUSLY

**ITEM 9: RESOLUTION 16-33**

Johnson motioned, seconded by Reisdorfer to adopt Resolution 16-33 to reduce the deferred special assessment amount on Parcel No. 28-116001-2 to \$14,726.00. MOTION PASSED UNANIMOUSLY

**ITEM 10: ORDINANCE 16-02**

The Council reviewed schedules of revenues, expenses and changes in net position in the water, sewer and garbage funds. Enterprise Funds should be self-sufficient and revenue levels are needed to fund ongoing operating costs, capital costs and replacements. In 2014 a water and wastewater rate study was completed and data indicated that current rates were not generating enough revenue to cover operating expenses. The consensus of the Council was to make reasonable and incremental rate increases over a period of years to better align the rates with the cost of service and infrastructure replacement projects rather than very large increases. Johnson motioned, seconded by Reisdorfer to adopt Ordinance 16-02 increasing utility fees and other charges for municipal services for water, sewer and garbage by 5% effective January 1, 2017. MOTION PASSED UNANIMOUSLY

**ITEM 11: PUBLIC HEARING**

Mayor Ufkin opened the Truth in Taxation public hearing at 7:00 p.m. to seek public comment on the proposed Final 2016 Levy collectible in 2017. No interested persons were present to comment on items pertaining to the budget and levy. Reisdorfer motioned, seconded by Koppien to recess the public hearing at 7:08 p.m. MOTION PASSED UNANIMOUSLY. The Council moved to the next item on the agenda and reviewed the proposed 2017 Final Budget. Koppien motioned, seconded by Reisdorfer to re-open the public hearing at 7:34 p.m. MOTION PASSED UNANIMOUSLY. Koppien motioned, seconded by Reisdorfer to close the public hearing at 7:35 p.m. MOTION PASSED UNANIMOUSLY.

**ITEM 12: 2017 FINAL BUDGET**

The Administrator reviewed additional expenses in the 2016 Preliminary Tax Levy that accounted for 5.6% of the total 7.5% projected levy increase. The additional expenses are \$15,000 for flood control certification, \$9,000 for the 2016 Adams bond interest payment and \$4,000 in additional E.D.A. funding. The Administrator presented a modified budget for the Council to consider that included cuts being made in all other departments to lower the overall levy by 4% for a final levy of 3.5%. Teigland motioned, seconded by Johnson to adopt Resolution 16-34 approving the following sums of money to be levied for the current year, collectible in 2017 upon the taxable property in the City of Minnesota for the following purposes: General Fund - \$354,808; Fire Fund - \$83,190; 2010 Refunding Bond Fund - \$15,400; 2012A/2005 Sewer Imp Bond Fund - \$44,215; 2016 Adams Street GO Bond Fund - \$9,000 and transmit a certified copy of the Resolution 16-34 to the County Auditor of Lyon County, Minnesota. MOTION PASSED UNANIMOUSLY

**ITEM 13: AUDITOR AGREEMENT**

Teigland motioned, seconded by Reisdorfer to authorize Shirley Teigland as Administrator to sign on behalf of the City a Letter of Engagement with Berg & Eisfeld Accounting, P.L.L.P for auditor services for the 2016 annual audit. MOTION PASSED UNANIMOUSLY

**ITEM 14: 2017 LIQUOR LICENSES**

Teigland motioned, seconded by Reisdorfer to approve the following 2017 Liquor Licenses:

- 1) American Legion Post 199 – On-Sale Liquor License, Set-up License;
- 2) City Hall Bar & Grill, LLC – Combination Liquor License, Sunday Liquor License;
- 3) Countryside Golf Course – On-Sale Liquor License, Sunday Liquor License;
- 4) Dalager’s Grocery & Gas – Off-Sale Beer License;
- 5) Highway 68 Liquor – Off-Sale Liquor License, Sunday Liquor License.

JOHNSON, REISDORFER, TEIGLAND AND UFKIN VOTED YES WITH KOPPIEN ABSTAINING.  
MOTION PASSED

**ITEM 15: GAMBLING PERMIT**

Teigland motioned, seconded by Reisdorfer to approve the MN Lawful Gambling LG220 Exempt Permit issued to VFW Post 5334 for a September 10, 2017 raffle drawing. MOTION PASSED UNANIMOUSLY

**ITEM 16: CRUSHED CONCRETE**

Reisdorfer motioned, seconded by Johnson to set the selling price for crushed concrete at \$9.50 per ton. MOTION PASSED UNANIMOUSLY

**ITEM 17: RESOLUTION 16-35**

Johnson motioned, seconded by Reisdorfer to adopt Resolution 16-35 granting the City Administrator certain authority to manage cash management services and agreements with Bank of the West. MOTION PASSED UNANIMOUSLY

**ITEM 18: SMALL CITIES DEVELOPMENT GRANT PROGRAM**

Johnson motioned, seconded by Reisdorfer to call for a public hearing to be held January 9, 2017 at 7:00 p.m. to obtain citizen input regarding community development needs and priorities in Minneota. MOTION PASSED UNANIMOUSLY. Reisdorfer motioned, seconded by Johnson to adopt Resolution 16-36 identifying slum and blight conditions in a targeted area of the City of Minneota for purposes of the 2017 SCDP Grant Application. MOTION PASSED UNANIMOUSLY

**ITEM 19: RESOLUTION 16-26**

Teigland motioned, seconded by Reisdorfer to approve Resolution 16-26 requesting transfer of authority of Golf Course Road to Lyon County. MOTION PASSED UNANIMOUSLY

**ADJOURNMENT**

Koppien motioned, seconded by Reisdorfer, to adjourn the meeting at 7:40 p.m. MOTION PASSED UNANIMOUSLY.

*The next scheduled Regular Council Meeting is scheduled for January 9, 2017 at 6:30 p.m.*

ATTEST:

---

John Rolbiecki, Mayor

---

Shirley Teigland, City Administrator

Council Approved January 9, 2017