

Dawson City Council Minutes  
August 18, 2020  
5:30 p.m.

The Dawson City Council met in regular session Tuesday, August 18, 2020 at 5:30 p.m. at the Dawson City Hall Council Chambers following social distancing guidelines and wearing masks.

Councilpersons present: Councilman Jeff Fish, Councilman Charlie Prestholdt, Councilman Steve Tufto, Councilman Jeff Olson, Councilwoman Chessa Frahm

Councilperson absent: Councilman Al Tufto

Others present: Mayor Randy Tensen, City Manager Tami Schuelke-Sampson, Maintenance Superintendent Brent Powers, City Attorney Rick Stulz, City Clerk/Treasurer Jill Kemen, Rebecca Kurtz with Ehlers, Jeff Kuhn with Widseth Smith and Nolting, Blaine Green with Widseth Smith and Nolting, Steven Farmen, Lisa Malecek, John Meyer, and Toni Reynolds

Mayor Tensen called the meeting to order and everyone repeated the Pledge of Allegiance.

Councilwoman Frahm motioned to approve the agenda with an order change to accommodate the public hearing switching items number 4 – 10 minute public forum and number 9 – Dawson Area Chamber of Commerce gambling permit additionally adding 6a Two City Proclamations, second from Councilman Prestholdt. Voting in favor Councilman Fish, Councilman S. Tufto, Councilman Olson, Councilwoman Frahm, and Councilman Prestholdt. Voting against none. Councilman A. Tufto absent. Motion passed.

On motion by Councilman Fish with a second from Councilman S. Tufto to approve the August 4<sup>th</sup>, 2020 council minutes. Voting in favor Councilman Fish, Councilman S. Tufto, Councilman Olson, Councilwoman Frahm, and Councilman Prestholdt. Voting against none. Councilman A. Tufto absent. Motion passed.

City Manager, Schuelke-Sampson, shared the Dawson Area Chamber will not be holding their extravaganza this year, however, did still apply for the gambling permit for their raffle. All the paperwork is in order. On motion by Councilman Olson to approve the gambling permit for the Dawson Area Chamber with a second from Councilman Fish. Voting in favor Councilman Fish, Councilman S. Tufto, Councilman Olson, Councilwoman Frahm, and Councilman Prestholdt. Voting against none. Councilman A. Tufto absent. Motion passed.

Schuelke-Sampson spoke next about the Coalition for Greater Minnesota Cities seeking support by passing a resolution urging the bipartisan passing of the 2020 bonding bill at the State Legislature during the next special session on September 11, 2020. On motion by Councilwoman Frahm to approve the resolution in support of the bonding bill with a second from Councilman S. Tufto. Voting in favor Councilman Fish, Councilman S. Tufto, Councilman Olson, Councilwoman Frahm, and Councilman Prestholdt. Voting against none. Councilman A. Tufto absent. Motion passed.

The EDA subcommittee minutes were enclosed in the packet for review before the council meeting. No questions or discussion was held during the meeting. On motion by Councilman Olson with a second by Councilman S. Tufto to approve the subcommittee recommendations regarding Riverview Estates and minutes. Voting in favor Councilman Fish, Councilman S. Tufto, Councilman Olson, and Councilwoman Frahm. Abstained from the vote was Councilman Prestholdt. Voting against none. Councilman A. Tufto absent. Motion passed.

The CARES committee meeting minutes were enclosed in the packet for review before the council meeting. Mayor Tensen shared all the money was spent locally. On motion by Councilwoman Frahm with a second by Councilman Prestholdt to approve the CARES money spent and minutes. Voting in favor Councilman Fish, Councilman S. Tufto, Councilman Olson, Councilwoman Frahm, and Councilman Prestholdt. Voting against none. Councilman A. Tufto absent. Motion passed.

Mayor Tensen closed the regular council meeting at 5:35 p.m. and opened the public hearing on the proposed property tax abatement for the office/warehouse for Canby Farmers Grain Company. Hearing nothing, Mayor Tensen closed the public hearing at 5:36 p.m. and opened the regular council meeting.

There have been two requests made for proclamations and certificates of recognition for Stan Nelson and Robert Lee Bates. City attorney, Rick Stulz, drafted the proclamations and will have Mayor Tensen sign. Stan Nelson will receive his proclamation from Councilman Prestholdt, and Robert Lee Bates will be mailed his proclamation. Both gentlemen had ties to Dawson in their early years and think fondly of the community they were raised in.

Mayor Tensen opened the 10-minute public hearing. Steven Farnen introduced himself. He had done research and referred to state statute 103.601 regarding water drainage. He requested to have county officials come to the next city council meeting. His interpretation of the statute is that if the citizens do not benefit from the drainage that curb and gutter should not be used. When Dawson was platted, they did not use curb and gutter. He also stated many metro cities are going away from the usage of curb and gutter and replacing it with green soil. Farnen referenced Councilwoman Frahm twice while speaking of the statute. He also is against moving the water tower simply to get it off AGP property. He felt Dawson could take the property by eminent domain. He has spoken to councilmembers regarding his feelings. Stating that Councilman Prestholdt's need to make the water tower "pretty" was not necessary with 10% of Dawson residents living at poverty level, the 2020 projected census of Dawson to lose 200 people, middle class feeling the squeeze, in the middle of coronavirus with mask mandates. Maintenance Superintendent Powers educated Farnen regarding the real reasons for moving the water tower. The water tower, where it stands now, is on City of Dawson property. With AGP building up around the tower, it is best to move the tower to a better accessible location. Currently, there are two water lines running underground to the tower, one of which is broken already. The purpose of these two lines was to loop the water in case of trouble. The current water tower also poses health concerns. Farnen's response was to just dig in a new water line not replace the tower. Mayor Tensen closed the public hearing.

Rebecca Kurtz, with Ehlers, presented the tax abatement request for Canby Farmers Grain. She stated the warehouse/office project would cost approximately \$145,858. CFG would like the tax abatement to continue for 20 years. The city would agree to retain the value of the property as stands today not with the new construction. It is the new construction increased value that would be abated. Kurtz explained the pay as you go plan where CFG would pay all taxes as usual upfront and the city would reimburse just the additional tax incurred on the new value. Councilman Olson inquired if the county or school were also asked to abate the taxes to which Kurtz replied no. On motion by Councilman Olson with second by Councilman Prestholdt to approve the tax abatement request for Canby Farmers Grain warehouse/office construction. Voting in favor

Councilman Fish, Councilman S. Tufto, Councilman Olson, Councilwoman Frahm, and Councilman Prestholdt. Voting against none. Councilman A. Tufto absent. Motion passed.

Jeff Kuhn, with Widseth, Smith and Nolting, presented regarding the bid opening process and 2020 street and utility project. Bids were all electronic and submitted using a process called V-bids. Bid opening happened on August 11, 2020 at 11:00 a.m. for the water tower project. Council was given the bids received from the companies. Bids for the 2020 street and utility improvement project were opened at 11:30 a.m. Council also received a copy of the bids submitted. Both project bids came in just under the engineer's estimates. Kuhn stated that both projects had a good number of bidders keeping the project competitive. Kuhn recommends going with Maguire Iron for the water tower project. Their bid was \$1,109,000. This is a company from Sioux Falls, SD that has previously done work on the city's current tower. There is no immediate schedule on when the water tower work will begin. Kuhn is waiting for signed contracts and bond information. 8 companies submitted bids for the street and utility improvement project. Kuechle Underground from Kimball, MN submitted the lowest bid coming in at \$10,688,320.15. Kuhn has worked with this company on several recent projects and feels they have been well organized, neat, and realize that time is money. He recommends them for the street and utility project. Kuhn has had discussions already with Kuechle Underground and they have expressed their desire to move in this fall to start the project. Councilman Olson asked if there will be representation from WSN on-site to which Kuhn replied yes. Either Kuhn, Blaine Green or someone else will be present during the construction phases of the projects. Councilman Prestholdt asked if Kuhn would be willing to address some of the complaints that Farmen has presented. Kuhn stated that metro communities continue to go away from curb and gutter. This is a way to keep infrastructure projects in line. He is aware of porous pavement and the requirements of it. In his professional opinion porous pavement gets to be more costly because you need an alternative way to allow the water to dissipate and enough on top to support the additional infrastructure underground. He does agree that it is more environmentally friendly. Porous pavement does not happen a lot around our area and many contractors are not familiar with it. Kuhn stated the next steps are to award the projects and sign the contracts. Work will move forward with the initial begin date being 8-31 and underground work starting 9-8. The underground work is expected to take 6 weeks to complete for phase one. The contractor's preference is to get one layer of asphalt on the new infrastructure this fall. They are concerned with Linden and Locust Streets being low and not being able to maintain a gravel road throughout the winter. Contractors will then come back in the spring and address any settling issues. Doing the first layer of asphalt also stays in compliance with Minnesota Pollution Control Agency when it comes to storm water run-off and spring thaw. Councilman Steve Tufto asked Kuhn when he believes phase two could begin. Kuhn said hopefully this winter with council's approval. Bonds are at a decent rate right now and the city is anticipated to qualify for grant money to help complete the second phase. Kuhn feels sometimes it is advantageous to keep a project moving forward. With companies already doing work within the city, their bids remain competitive as not to have to relocate to a different project. Phase two will also be put out on public bids. Diagonal Street west from AGP was not addressed in phase one of the project due to AGP having their own construction going on concurrently. This could possibly be addressed in phase two. Diagonal Street east by Riverview Estates and homes there was not addressed because the infrastructure is relatively new. It might be possible to include a mill and overlay in phase one because the last time Kuhn viewed the streets, they were in decent condition. There will be a construction meeting with the utility companies with information to follow for the general public. Specifically, owners in phase one will be given additional information about garbage, parking, mail, etc. as the project moves forward. Councilman Steve

Tufto inquired about the pay estimate and when the due dates will start. Kuhn said payments will be monthly typically from the start date.

Rebecca Kurtz introduced herself and spoke to the updated financial impact of phase one since the estimate happened. With final bids coming in lower there are two different scenarios that council could review. Original estimated for capital improvement fees were \$72.72. Progress since the first meeting has been made. The council needs to decide between PFA bonds or general obligation bonds. GO bonds offer a flexible payment schedule allowing the payments to wrap around the current debt of the city. The city could essentially pay less on principal now and in four to five years, when a considerable amount of debt would fall off, make bigger payments. PFA bonds issues level debt with the same principal and interest throughout. Using GO bonds would take advantage of an additional \$120,000 available funds in 2025-2026 when maturing debt payments end. In the short term, this would lessen the impact a little bit making the capital improvement fees approximately \$40.78 per month. With phase two of the project, capital improvement fees will still climb to approximately the original amount, but this would allow the impact to happen in smaller increments. Councilman Steve Tufto questioned with the lower capital improvement fees if the city would still qualify for payments. Kurtz stated when you add phase two to the equation, numbers will be a combination of grant and bond funds and the other debt would look well taking advantage of these additional numbers. Councilman Prestholdt asked when Kurtz would want a decision on which bonds to approve. Kurtz said bond decisions are needed by September 15<sup>th</sup> to stay on schedule for funds to be available by the end of October.

#### Maintenance Superintendent Brent Powers' Report

Powers asked about purchasing a valve exerciser. He said this would be useful for the upcoming project as valves would need to be opened and closed 10-12 times per day. The valve exerciser would also be beneficial in the future to maintain valves and assist with water main breaks. In the past two people opened valves taking up to 24 turns per valve to open. Macqeen Equipment has quoted the exerciser with the state contract numbers. This unit will be on a trailer and operated with a 6.5 hp Honda motor. Councilman Olson asked Powers if this was needed long term to which Powers replied yes extremely helpful. Councilman Steve Tufto asked Schuelke-Sampson if funds were available for this purchase and her reply was some. Councilman Olson asked what other cities own these valve exercisers and what size valve they open. Powers stated Madison and Canby both have exercisers, and this typically opens a hydrant type 8" valve. On motion by Councilman Olson with a second by Councilwoman Frahm to approve the purchase of the valve exerciser from Macqeen Equipment. Voting in favor Councilman Fish, Councilman S. Tufto, Councilman Olson, Councilwoman Frahm, and Councilman Prestholdt. Voting against none. Councilman A. Tufto absent. Motion passed.

Powers was approached by an individual wishing to purchase the old rubber tire roller that was to be put on MNBid for sale. He offered \$1,000. On motion by Councilman Olson with a second by Councilman Fish to approve the \$1,000 sale of the rubber tire roller. Voting in favor Councilman Fish, Councilman S. Tufto, Councilman Olson, Councilwoman Frahm, and Councilman Prestholdt. Voting against none. Councilman A. Tufto absent. Motion passed.

#### City Manager Tami Schuelke-Sampson's Report

Rebecca Kurtz spoke about the assessment amount for phase one of the project. Presently the average assessment was \$5,500 per lot with the estimated bids. Council can choose to stay at the same dollar amount or bring down amount providing flexibility in the assessment number. Keeping in mind that

assessments need to be at least 20% of the street portion of the project. Right now, it is approximately 55%. Kurtz has no concern with going below the 20% if council choses a different assessment number. The assessment number could stay as is at approximately \$5,500 per lot or be figured off a dollar amount or percentage. Councilman Prestholdt asked if options could be presented to council to help make the decision. Kurtz said absolutely scenarios could be run. Jeff Kuhn said he would look at those and bring back to council for review.

Schuelke-Sampson said the pool will close Tuesday, August 18<sup>th</sup> with the final day being floatie day.

Motion by Councilwoman Frahm to adjourn the meeting with a second by Councilman S. Tufto. Voting in favor Councilman Fish, Councilman S. Tufto, Councilman Olson, Councilwoman Frahm, and Councilman Prestholdt. Voting against none. Councilman A. Tufto absent. Motion passed.  
Meeting adjourned at 6:20 p.m.

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City Manager

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Mayor