

CITY OF MONTEVIDEO
CITY COUNCIL PROCEEDINGS
April 21, 2014

The city council met in regular session Monday, April 21, 2014 in the council chambers at city hall. President Garbe called the meeting to order at 7:00 P.M. with the Pledge of Allegiance.

Council members present: Marvin Garbe, Bryce Curtiss, Todd Hay, Nathan Schmidt and Karen Nieuwbeerta. Absent: None. Mayor Debra Lee Fader present.

Also present were: City Manager Steven C. Jones, City Attorney Janice Nelson, Rodeberg & Berryman Engineer Mike Amborn and City Clerk Glennis A. Lauritsen.

President Garbe welcomed high school students in attendance to observe the proceedings.

It was moved by Curtiss, seconded by Nieuwbeerta and unanimously passed to approve the agenda, with the following modifications:

MODIFY: 5(A) CONSIDER APPROVAL OF VERIFIED CLAIMS FOR THE PERIOD ENDING APRIL 18, 2014 IN THE AMOUNT OF ~~\$122,759.30~~ \$428,836.82.

Revised amount reflects the following additional claims:

LIQUOR

Bellboy Corporation - Inventory	\$ 1,629.30
Grape Beginnings, Inc. - Inventory	1,559.66
Johnson Brothers Liquor Co. - Inventory	12,767.09
Madison Bottling Co. - Inventory	6,727.85
Phillips Wine & Spirits - Inventory	4,896.01
Southern Wine & Spirits of MN - Inventory	2,775.96
Wirtz Beverage Minnesota - Inventory	3,183.55

2014 CIP CONSTRUCTION

TEK Mechanical Service, Inc. - Payment Appl. #1-HVAC	155,713.01
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EDA ADMINISTRATION

Kinder Kare Services - Expansion Assistance	5,000.00
Montevideo Area Community Foundation-Contribution 2014	2,500.00

<u>LEGAL</u>	
Nelson Oyen Torvik - March services	6,243.00
<u>MCDC</u>	
Kinder Kare Services - Expansion Assistance	5,000.00
Montevideo Area Community Foundation-Contribution 2014	2,500.00
<u>MISCELLANEOUS</u>	
Delta Dental of MN - Dental Insurance Premium/May	2,159.00
<u>SMALL CITIES DEVELOPMENT GROUP</u>	
SW MN Housing Partnership - Disbursement #20	8,245.00
<u>UTILITY</u>	
KHC Construction, Inc. - Clarifier Drive Unit/Parts	83,047.14
USA BlueBook - Supplies	1,950.95

ADD **5(B) CONSIDER APPROVING A REQUEST BY ARMANDO CASTENADA/CASA DE DIOS FOR USE OF THE CITY-OWNED PARKING LOT SOUTH OF GROAT'S FOR A GARAGE SALE ON MAY 3, 2014, FROM 11:00 A.M. TO 5:00 P.M.**

MODIFY **6(A) 7:00 P.M. - PUBLIC HEARING TO GATHER TESTIMONY ON THE FUTURE OF THE CITY-OWNED RAIL YARD.**

Additional materials provided (letters/e-mails from interested citizens.)

MODIFY **7(B) CONSIDER WATER TRANSMISSION LINE REPORTS FROM ENGINEERS RODEBERG & BERRYMAN AND SHORT, ELLIOTT HENDRICKSON, INC.**

Financial analysis provided from Ehlers & Associates and City Staff.

MODIFY **7(C) CONSIDER RESOLUTION ACCEPTING GIFTS/GRANTS FROM VARIOUS ORGANIZATIONS & INDIVIDUALS.**

Revised resolution reflects the following additional donation:

- ▶ American Legion Gambling Account - Pool Scholarship \$100.00

It was moved by Schmidt, seconded by Hay and unanimously passed to approve the minutes of the regular meeting of April 7, 2014.

4. Notices/Communications/Announcements or Appearance of Interested Citizens.

- None.

5. Consent Agenda.

It was moved by Hay, seconded by Curtiss and unanimously passed to approve the following consent agenda items:

5(A) VERIFIED CLAIMS FOR THE PERIOD ENDING APRIL 18, 2014 IN THE (MODIFIED) AMOUNT OF \$428,836.82.

5(C) REQUEST BY ARMANDO CASTENADA/CASA DE DIOS FOR USE OF THE CITY-OWNED PARKING LOT SOUTH OF GROAT'S FOR A GARAGE SALE ON MAY 3, 2014, FROM 11:00 A.M. TO 5:00 P.M.

6. Public Hearings.

6(A) PUBLIC HEARING - RAIL YARD USE ISSUES.

On April 7th, the council held a worksession to discuss future railyard use issues. At its regular meeting held later that same evening, the council set a public hearing for this date/time to hear public comment on the issue.

President Garbe opened the Public Hearing at 7:05 P.M. He asked that comments remain civil and that testimony be limited to three minutes. The entire public hearing was recorded on video tape and will be kept in accordance with the adopted records retention schedule, after which time the tape will be destroyed.

- ▶ Derrick Schiff, 207 North 1st Street, Apt. #19, was present to speak in support of development of the rail yard property by Kevin Wald. He stated that he understood both sides of the discussion; however, he felt the best use of the property was for economic development purposes.
- ▶ June Lynne, 1007 North 4th Street, was present as Executive Director of the Chippewa County Historical Society. Lynne read a letter in support of preserving

the historic nature of the area. She stated that once that history is lost, it's never coming back.

- ▶ Jim Ruether, 4169 Highway 212, President of the Milwaukee Road Heritage Center (MRHC) & Museum was present to share brief history information relative to the site and improvements made by the MRHC.
- ▶ Kevin Wald, 117 Black Oak Avenue, was present in support of his proposed industrial development project for the site. He voiced his concern relative to the need for a *community* economic development coordinator (city-county-school). Wald distributed photos of the site as it currently appears, noting that the pictures reflect 20 years of "progress." He asked MRHC representatives present to do a better job of developing the area than what has occurred over the past 20 years. He stated that if the council acts to renew the lease with MRHC, he encouraged them to enter into a shorter term lease (1-year) and to put some "bite" into the language (i.e., timelines for fund raising efforts, amounts raised, etc.)

Mayor Fader asked why the city had not seen design plans of the proposed development, noting that the only information received by the council was a written narrative. Wald stated the council has not asked for that information; that four other communities have received similar information; and that the design plans are not site specific. He said he would e-mail the designs to the city immediately.

Wald recognized city staff for its previous attempts in looking for alternative sites, financial packages, etc., for the proposed development. When it was noted that there are contamination issues at the rail yard site which could hinder the development, Wald stated he has worked with the Pollution Control Agency (PCA) in the past and did not see those issues as a huge hurdle.

- ▶ Jim Ruether asked to speak briefly again, to state that he had had a conversation with Watson Mayor Joe Rongstad, who indicated that the City of Watson would be willing to work with Wald to bring the development to the Watson area.
- ▶ Joyce Kron, 3010 90th Avenue SE, Clara City, was present representing families of railroad employees. Kron stated that Montevideo was built on railroads, and she did not want to see that history destroyed. She explained that her father was a 40-year employee of the railroad; that families of railroad employees were proud

of that association and that she would like to see the physical memories of that era remain for generations to come.

- ▶ Robin Intagliata, 1645 North 4th Street, was present in support of economic growth of the community. He stated that he is employed by Kevin Wald as an engineer and recently moved to Montevideo with his wife and three children. He said he appreciates the historic nature of the issue; however, as a new member of the community, he would prefer to see real economic growth in an effort to attract similar families to locate in Montevideo. Intagliata added that by developing/building something new now, that development would become history and something to leave to the children of this generation.
- ▶ Bob Padula, 3840 236th Street, was present representing the Knights of Columbus Council 1551. He stated that their organization was a financial contributor of the MRHC and encouraged a continued lease with them. He also encouraged the city to work with Mr. Wald to find a suitable alternative site for his proposal.
- ▶ Jennifer Rud, 227 1st Street SE, Clara City, was present in support of the continued rail yard use by the MRHC. Rud stated her grandfather had worked on the railroad, so the railroad is a huge part of their family history. She concurred with the earlier statement that once that history is gone, it's gone forever.
- ▶ Dick Ryman, 1313 Ashmore Avenue, was present to state that he had worked for the railroad for 42 years. He worked with many individuals who donated hours of volunteer time to preserve the area, including railroad "pioneers" Arnie Anderson and Jerry Ross, both of whom are no longer living.
- ▶ Krystal Lynne, 1107 William Avenue, spoke in support of preserving the historic value of the rail yard. Lynne stated she is a returning professional who did not base her return on economics. She conveyed her appreciation for the history associated with this area and felt that the city would regret the loss of such a historic site.
- ▶ Todd Osman, 815 Grove Avenue, was present in support of the economic development of the area. Osman said he certainly understands the passion the historians convey; however, the decision should not be based on emotion. He encouraged the council to take this economic development opportunity being presented and create another part of community history.

- ▶ Robin Intagliata asked to briefly speak again, noting that an interesting/ironic part of the proposed development is that it involves the business of building railroad cars.
- ▶ Glen Herfurth, 1502 North 5th Street, was present to share an article that discussed what is needed to help a community grow/thrive. The article noted that controversy is healthy and that growth needs the active participation of people within the community. He also shared that Wald was front and center in saving a historic building in Montevideo - the Hollywood Theater.
- ▶ Scott Hinde, 715 South 9th Street, was present to express his personal comments (he is not affiliated with any organization). He said he understood both sides of the issue and would like to see a compromise worked out to see both groups “win.” He stated that because of the long-term lease of the site by MRHC, he feels they deserve the opportunity to address any issues of concern before having their lease terminated. He agreed that this is not an easy decision for the city and wished them good luck in their decision.
- ▶ Gabriel Valentino, 303 South 7th Street, was present to state that he, too, understood both sides of the issue. He said he appreciates the historical value of the site and the enormous amount of volunteer time given by individuals over the years. As a local business owner, he also appreciates the tourism provided and the benefit provided to local establishments by its visitors. On the other side, he acknowledged the effort by Wald to create a new business in the community, although he personally felt that the rail yard site is not large enough to accommodate all phases of the proposed development.
- ▶ Dave Stendahl, West Highway 212, was present to state that he owns a building in the downtown business district and is all for new businesses; however, he disagrees with the proposed location. He encouraged the city to do everything possible to help Wald with his project - even if located in a nearby community - and to not give up the historical rail yard site for another use.

There were no other interested persons present to speak to this issue; therefore, President Garbe closed the public hearing at 8:07 P.M.

Council member Nieuwbeerta stated that she cannot morally pull the lease from the MRHC simply because someone else has deeper pockets.

Council member Hay stated he appreciates the historical value of the site and would like to do everything possible to help the MRHC preserve it. He stressed to MRHC representatives the importance of going after as many grants as possible, participating in fund raising efforts, etc. He also expressed his interest in helping Wald find an alternate site for the proposed development, for a location either in Montevideo, or in the surrounding area.

City Manager Jones explained that in working on this issue previously, it was evident that financing is not the big issue. (A \$1 Million package had been put together a year ago.) The problem is the site.

Council member Curtiss expressed his appreciation for all of the public testimony. He stated that he appreciates the historical value of the area; however, too many economic development opportunities have been lost; therefore, he felt the city should do everything possible to make the project work. He asked that design plans be made available to the city for review. Mr. Wald indicated he would e-mail that information to the city immediately.

Council President Garbe echoed the comments by the other council members. He reminded the audience that the city has been working on acquiring a VA Home for the community, which is an economic development project also - targeted to create 190 jobs. He said there was good attendance at the County Board meeting, where \$3 Million of county money was pledged to the project; however, he noted that when he asked for public support by way of contacting legislators, very few responded to that request.

President Garbe then asked Wald if he would be willing to work with the city manager, the MIDC and MCDC representatives to further research/discuss the feasibility of the project. Wald stated he would be willing to do that.

June Lynne interjected that it was her understanding that no grants would be available until the site received National Registry designation.

Joyce Kron added that even though some of the people who were heard during the public hearing do not live in Montevideo, they still support the town in many ways.

Council President Garbe thanked everyone for their testimony and for attending the public hearing. A brief recess was taken in order to allow for people to leave the council chambers.

7. General Business.

7(A) FIRE HALL BIDS.

Duane Day, Cities Edge Architects, was present to discuss bids received on Thursday, April 3, 2014 for the Fire Hall Project, as follows:

<u>Bidder</u>	<u>Bid</u>
Breitbach	\$2,249,000.00
Ebert Constructio	\$2,204,200.00
KUE	\$2,185,355.00 **
Peters Construction	\$2,553,700.00
Gopher State	\$2,287,400.00
Kranz	\$2,217,600.00

** Low bid

Day indicated that the low bid appears to be in order and references have been checked. This contractor has done similar projects (Litchfield in 2012 is almost the same sized project). Day stated that the anticipated start date is mid-end of May, and substantial completion in December 2014. He added that any remaining exterior work would be completed in Spring 2015.

In addition to the bid information, a financial synopsis was also provided.

It was moved by Hay, seconded by Curtiss and unanimously passed to approve the low bid from KUE in the amount of \$2,185,355.00.

7(B) WATER TRANSMISSION LINE REPORTS.

Both Rodeberg & Berryman, Inc. and Short Elliott Hendrickson (SEH) were given the task of exploring two different route options for replacement of the city's existing water transmission line from the well sites to the water plant. The Rodeberg & Berryman report

focused on replacing the existing 14" line by a directional drilling method at an estimated total cost of \$1,590,000 (based on \$100.00 per lineal foot.) The SEH report discussed several replacement options; however, the static pipe bursting method has been deemed the most appropriate, at an estimated total cost of \$1,260,000 (based on \$150.00 per lineal foot.) At the suggestion of city staff, the optional 1,100 LF work was not included for consideration.

Representatives from both firms were present to address questions/concerns raised by the council.

Additional information provided to the council included updated cashflows - one prepared by Ehlers & Associates and one prepared by city staff - for proposed utility bonds associated with the project.

Following discussion, it was moved by Nieuwbeerta, seconded by Curtiss and unanimously passed to accept Option #4 as submitted by SEH, as follows:

1. That the optional 14" line north to the valve pit is NOT included in the project;
2. That SEH be hired as lead engineer;
3. That SEH work with Rodeberg & Berryman on local issues associated with the project;
4. That SEH submit a proposal, with engineering costs based off of a "not-to-exceed" amount, and that any work by Rodeberg & Berryman on this project be included in this "not-to-exceed" price, and be billed by SEH;
5. That, if possible, SEH attempt to complete the project in 2014 and, if possible, coordinate bids with other communities. If not possible, schedule for 2015;
6. That SEH staff work with city staff to coordinate with the PFA and Ehlers & Associates to attempt to secure state financing/bond funds/state credit enhancement for the project.

7(C) ACCEPTANCE OF GIFTS/GRANTS.

The following gifts/grants have been received by the city:

<u>Name</u>	<u>Description</u>	<u>Amount/Value</u>
National Volunteer Fire Council	Fire donation	\$ 25.00
Mn/DOT Grant	Airport Security Lighting Project	3,544.80
American Legion Gambling Acct.	Pool Scholarships	100.00

NATHAN SCHMIDT OFFERED RESOLUTION NO. 3217, A RESOLUTION ACCEPTING VARIOUS GIFTS/GRANTS, AND MOVED ITS ADOPTION. MOTION FOR ADOPTION OF RESOLUTION NO. 3217 WAS SECONDED BY TODD HAY. THOSE VOTING IN FAVOR OF MOTION: NATHAN SCHMIDT, TODD HAY, KAREN NIEUWBEERTA, BRYCE CURTISS AND MARVIN GARBE. THOSE VOTING AGAINST MOTION: NONE. RESOLUTION PASSED 5-0.

7(D) SAFE ROOM PROJECT.

Bids were received for the Benson Road Safe Room Project on Thursday, April 10th. Overall, the bid was \$19,000 higher than budgeted, and the project is now \$22,700 higher than originally budgeted. Therefore, the bid cannot be awarded until a new budget is approved by FEMA, and a new Letter of Commitment is approved by the city. The original cost of the project was \$31,150; it is now \$36,825.

It was moved by Schmidt, seconded by Curtiss and unanimously passed to approve the revised Letter of Commitment of Funds.

8. Ordinances.

- None.

9. Discussion and Miscellaneous.

- None.

Meeting adjourned at 9:08 P.M.

Glennis A. Lauritsen, Secretary

Approved by council May 5, 2014:

Marvin E. Garbe, President