

SPECIAL COUNCIL MEETING
MAY 5, 2020
5:30 PM

The May 5, 2020 council meeting was called to order by Mayor Lowell Helget at 5:30 PM. Those present include Helget, Sam Hesse, John Mueller, Mike Rothmeier, Theresa Beckman, City Attorney Paul Muske, City Manager Joe Stremcha and City Clerk Amy Vogel. Others present include Bill Helget, Wendy Krier, Linda Roiger, Tim Gramentz, Scott Johnson, Randy Haseleu, Mark Brown, Anne Grunert, Angela Gauert, Jim Miesen, and Jessica Green.

Grunert recapped the sales – 26 residential, 1 commercial and 1 apartment building. She noted that council members would need to take training for the Local Board of Review as all are expiring on June 30. It will be available around July 1.

Gauert stated that there was only one person that requested a review – Donna Schmidt at 110 S Park. Her current estimated market value is \$80,900. The outside appears to be well taken care of. However, pictures of the inside show that the house has not been updated. Recent past values range from \$60,300 to \$83,300. Since there are no inside inspection records dating back to 1998, assumptions were made on the exterior review. The last exterior review was in August 2018. Motion by Mueller, second by Beckman to adjust the value to \$60,300 due to the interior being very dated. All ayes.

Motion by Beckman, second by Mueller to close the Local Board of Review hearing at 5:43 PM. All ayes.

Bill Helget recapped the summary of bids for the 2020 street project. Bids ranged from \$4,621,919.57 to \$5,785,164.60 with MR Paving having the low bid. It was about \$500,000 higher than the engineer's estimate of \$4.1 million. The State of MN and Brown Co will be partnering with the city on this project. The LRIP portion is maxed out at \$750,000. Brown Co has approved their share of \$231,957 and the State has approved an additional \$100,000 towards the LPP portion. Other funding sources include sanitary sewer, water, storm sewer, city funds and special assessments. Total project costs are \$5,646,600 based on the low bid. He did ask the contractor on the possibility of getting new bids next year. It was noted that the costs will likely be higher yet. Prices in general are up 50-75%. Based on the low bid, special assessments will be about \$2,700 higher for each property that has a water and sewer connection on Central. On the other items assessed, some were up and some were down.

If the council awards the bid in May, construction could begin as early as June 2020 with a final completion of July 2022. This allows for two summers to work on the project. If this hadn't happened, he believes there would have been fewer bidders with higher bids. The assessment hearing has been moved to the end of the project due to the current hardships of COVID-19. The contractor has stated that they would not start at all until spring 2021. They have been told that if they do choose to start in 2020, that portion has to be returned to the city before year's end.

Green recapped the bond projections for this project. It was noted that the grants would be received as the expenses are incurred. The proposal included GO bonds amounting to

\$4,425,000 with an average coupon rate of 2.7% interest. This proposal assumes and includes capitalized interest and assessment collections beginning in 2023. An official rating letter and a bond rating would be needed in order to sell bonds. The bond rating is only good for 90 days. The average coupon in 2018 was 3.08 with an A+ rating.

Bill noted that Brown Co has awarded the bid to MR Paving contingent on the city's approval. There was also discussion that with the PUC's actual share being less that maybe the rate increases could be adjusted. This will be reviewed with MRES after the audit presentation. Motion by Hesse, second by Beckman to accept the low bid of \$4,621,919.57 from MR Paving for the 2020 street project. All ayes.

Bill will get the grant agreements and other paperwork ready for signing possibly by the next council meeting.

Stremcha stated that \$5,500 was budgeted for crack-sealing and Dale Knutson has calculated that the needed amount equals \$5,874.96. One quote of \$0.78/ft was received from RH Sealcoating and Asphalt Maintenance. Motion by Mueller, second by Hesse to approve the RH Sealcoating quote for \$0.78/ft for 7,532 ft of crack-sealing. All ayes.

One bid of \$325,315.99 from MR paving was received for the airport spray pad project. The engineer's estimate was \$145,000. Since the city has 3 years to use the federal funds, Stremcha recommended waiting until next year to rebid the project. Bill Helget recommended, when rebidding, opening the window longer to get the project done, perhaps the whole season. Motion by Beckman, second by Mueller to reject the MR Paving bid and to rebid for next year's completion. All ayes.

A subordination request was received for a Small Cities loan at 541 W Lincoln St that expires in October 2020. The loan amount, to achieve a lower interest rate and do some improvements, is well below the appraised value. The current deferred loan is \$2,000. Motion by Mueller, second by Hesse to approve the subordination request. All ayes.

Stremcha explained that the state/federal funds available for businesses affected by Executive Order 20-04 and clarified in EO 20-08 were only sufficient to reach about 2/3's of them. Area cities have implemented assistance loans for those affected such as up to \$2,500 0% interest for 12 months. The EDA has allocated up to \$25,000 and have requested the city to match this after the EDA's funds are used. The EDA will formally approve the loan guidelines and application at their meeting next week. It was suggested that these funds come from the General Fund under Civil Defense. Motion by Mueller, second by Hesse to approve the match of \$25,000 for loans to affected businesses after the EDA's funds are used. All ayes.

Motion by Beckman, second by Mueller to approve the EDA's Emergency Small Business Loan Program guidelines and application contingent on EDA approval. All ayes.

It was noted that plexi-glass shields have been put up at city hall and the library. A preparedness plan is being worked on for city hall reopening for deputy registrar duties. Linda Roiger has created a list of precautions they are taking at the library to reopen to the public. Mueller

presented a resolution the City of Lakefield adopted opposing executive orders that restrict the constitutional rights of their citizens. He believes the orders are violating the 14th amendment along with the 5th amendment of the US Constitution and the State Constitution. Motion by Mueller to adopt the same resolution and add the 5th amendment and challenging the Governor's authority during a peacetime emergency.

If this is adopted, the city wouldn't enforce any residents but the County or State may. Those with state licenses could potentially lose their license. Council members requested to see the proposed resolution on paper before they would approve it. Motion died for lack of a second.

It was discussed having Stremcha write a letter to Governor Walz asking him to cease the "stay at home" order so that businesses can open up and to carbon the legislators and anyone else that should see it. Motion by Beckman, second by Hesse to direct Stremcha to communicate with Governor Walz the council's opposition to the stay-at-home order. All ayes.

There was discussion that if an employee gets sick, then that dept should close to sanitize and quarantine. The library will start curb-side service again. There was discussion on closing all public restrooms. They decided to wait until the May 19 meeting to make a decision.

Motion by Mueller, second by Rothmeier to adjourn at 7:17 PM. All ayes.

Lowell Helget, Mayor

Amy A. Vogel, City Clerk