

## JUNE 6, 2023 MEETING MINUTES OF THE CITY COUNCIL

A meeting of the Cottonwood City Council was held on Tuesday, June 6, 2023, 7:00 pm, in the Cottonwood Fire Hall with Corey Moseng, Joel Dahl, and Shannon Geihl present. Also, present was City Administrator, Teather Bliss; Public Works Supervisor, Allen Olsen; and Lyon County Sheriff's Sergeant, Steve Louwagie. Present from the public was Mike Maxwell, Joe Rains, Haleigh Alm, Tori Praus, Janel Kuester, Patrick Glimsdal, Gary Becker, Jeanette Prust, and Christina Hagen. Rick Cobb and Todd Hagen were present via Zoom. Shawn Myers and Mike Horner were absent.

Mayor Corey Moseng called the meeting to order and led in the Flag Pledge.

Sergeant Louwagie presented the Sheriff's incident report.

Council discussed issues with speeding and ATVs around town. A citizen addressed a speeding issue down Front Street where it is 25 mph and vehicles are going upwards of 40 down the street where a lot of children live.

Council member Joel Dahl stated that when a road has a special speed limit such as Front Street that it is required to be posted at both end of the road and he does recall that when the 2016 project was done, there was never a sign replaced at the west end of Front Street.

Bliss updated that 4 new 25 mph road signs have been purchased and will be posted all along Front Street.

Council reviewed the League of MN Insurance Trust Liability Coverage Waiver.

A motion by Shannon Geihl to select the "Does Not Waive" option. Seconded by Joel Dahl. Carried.

Motion by Joel Dahl to close the regular meeting. Seconded by Shannon Geihl. Carried.

Motion by Shannon Geihl to open the public hearing. Seconded by Joel Dahl. Carried at 705PM.

Bliss presented the following information:

Research has been done on Urban Chickens. Below are few common requirements that cities require:

1. No Roosters
2. 2 to 8 Hens
3. Annual Permit of \$25
4. Permit for Coop/Run
5. Enough space for healthy living
6. A few require neighbor approval
7. No egg sales
8. No free roaming

None of the cities reported issues or disputes with neighbors.

Comments from the public included sanitary disposal of feces, zoning requirements for coops/runs, moveable coops, slaughtering, and egg sales.

A motion by Joel Dahl to close the public hearing. Seconded by Shawn Myers. Carried

A motion by Shannon Geihl to open the regular meeting. Seconded by Shawn Myers. Carried at 7:19PM.

Bliss presented the items below as follow ups from prior meetings:

- The final step for the DNR permit for the beach property was a letter that accepts the permit and submission of restoration design. The permit could be potentially upwards of \$3,000 but the DNR Hydrologist is confident that it will come in much less. If the council wants to proceed, then a motion will be needed to move forward with the letter and payment of the permit when the payment request comes in.
  - A motion by Joel Dahl to move forward with the permit. Seconded by Shannon Geihl. Carried.
- Bliss presented the proposed northern boundary of CW Reishus Park, a meeting with Jim Schrupp was done and the consensus was that he did not want to be responsible for the ditch. Therefore, the next step will be to quit claim deed the deed gap and overlap.
- Council reviewed the following Resolution 2023\_0606A

**RESOLUTION NO. 2023\_0606A RESOLUTION PROVIDING FOR THE SALE OF \$499,000 GENERAL OBLIGATION SEWER REVENUE BONDS, SERIES 2023A**

A. WHEREAS, the City Council of the City of Cottonwood, Minnesota has heretofore determined that it is necessary and expedient to issue the City's \$499,000 General Obligation Sewer Revenue Bonds, Series 2023A (the "Bonds"), to refund at maturity on August 1, 2023 the City's outstanding GO Temporary Sewer Revenue Bonds, Series 2020A; and

B. WHEREAS, the City has retained Ehlers & Associates, Inc., in Roseville, Minnesota ("Ehlers"), as its independent municipal advisor for the Bonds in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9);

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

1. Authorization; Findings. The City Council hereby authorizes Ehlers to assist the City for the sale of the Bonds.
2. Meeting; Proposal Opening. The City Council shall meet at 7:00 p.m. on July 11, 2023, for the purpose of considering proposals for and awarding the sale of the Bonds.
3. Offering Document. In connection with said sale, the officers or employees of the City are hereby authorized to cooperate with Ehlers and participate in the preparation of an offering document for the Bonds.

A motion by Joel Dahl to approve Resolution No. 2023\_0606A Resolution Providing For The Sale Of \$499,000 General Obligation Sewer Revenue Bonds, Series 2023A. Seconded by Shannon Geihl. Carried.

- Council reviewed the final documents for the street sweeper lease with purchase option. The following resolution would need to be passed to move forward with the lease to purchase:

**RESOLUTION RELATING TO LEASE WITH OPTION  
TO PURCHASE AGREEMENT No. CIT7591-102**

BE IT RESOLVED by the governing body of City of Cottonwood, Minnesota (the Issuer), as follows:

Section 1. Recitals and Authorization. The Issuer, as lessee, has heretofore entered into a Lease with Option to Purchase Agreement #CIT7591-102 dated as of June 6, 2023 (the Lease), with Kinetic Leasing, Inc., as lessor. It is hereby determined that it is necessary and desirable and in the best interests of the Issuer to enter into the Lease for the purposes therein specified, and the execution and delivery of the Lease by the Issuer are hereby approved, ratified and confirmed.

Section 2. Designation as Qualified Tax-Exempt Obligation. Pursuant to Section 265(b)(3)(B)(ii) of the Internal Revenue Code of 1986 (the Code), the Issuer hereby specifically designates the Lease as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code. In compliance with Section 265(b)(3)(D) of the Code, the Issuer hereby represents that the Issuer will not designate more than \$10,000,000 of obligations issued by the Issuer in the calendar year during which the Lease is executed and delivered as such "qualified tax-exempt obligations."

Section 3. Issuance Limitation. In compliance with the requirements of Section 265(b)(3)(C) of the Code, the Issuer hereby represents that the Issuer (including all "subordinate entities" of the Issuer within the meaning of Section 265(b)(3)(E) of the Code) reasonably anticipates not to issue in the calendar year during which the Lease is executed and delivered, obligations bearing interest exempt from federal income taxation under Section 103 of the Code (other than "private activity bonds" as defined in Section 141 of the Code) in an amount greater than \$10,000,000.

A motion by Joel Dahl to approve the resolution for lease with option to purchase agreement for the street sweeper. Seconded by Shannon Geihl. Carried.

Al presented a quote from HydroKlean to the Council for the televising of storm sewer line from the corner of East 1<sup>st</sup> & East Prairie to the end of East Prairie as well as the alleyway from 1<sup>st</sup> to Barstad behind Main Street. The areas are seeing significant flooding and drainage problems that could be caused by collapsed or blocked lines.

A motion by Shannon Geihl to approve the HydroKlean quote totaling \$4,100. Seconded by Joel Dahl. Carried.

Bliss provided a quick update on the engineering of the city that included I&I study continuing and CW Reishus Park.

Bliss provided the following information for the Administration Report:

## LEGISLATION UPDATE MESSAGE

1. PAID MEDICAL LEAVE.
  - a. Effective January 1, 2026.
  - b. Reporting begins July 1, 2024.
  - c. Will be some form of a paid in pool to an insurance program – unknown of if it will be a new insurance pool, the League, or the Cooperative.
  - d. Does apply to part time and seasonal employees.
2. EMPLOYMENT CHANGES
  - a. Sick & Safe Time - One hour for every 30 hours worked, up to 48 hours a year. Effective January 1, 2024
  - b. Juneteenth - Effective May 25, 2023
3. LOCAL GOVERNMENT FUNDS
  - a. New LGA Formula Approved – Cottonwood \$377,713 for 2024. \$34,516 increase from 2023.
  - b. Public Safety Aid – One-time Public Safety Aid payment totaling \$50,104 for Cottonwood Fire & Ambulance
  - c. Small Cities Transportation Assistance – Ongoing funded account. Roughly \$30,278 for Cottonwood in 2024. Funded through the “Amazon” Tax & Auto Parts Tax.
4. HOUSING BILL
  - a. Historic \$1B Omnibus Bill
  - b. Funds for Infrastructure & Developer
  - c. Funds for New Development, Existing Housing Revitalization, Manufactured Parks Infrastructure.
5. CANNABIS LEAGALIZATION
  - a. Possession, Home Growth, & Decriminalization effective August 1, 2023
  - b. Effective June 1<sup>st</sup> - Low Potency of .5% and less products legal for sale including municipal liquor stores
  - c. 16 types of licensing – individuals can only possess one license.
  - d. Municipal dispensaries authorized
  - e. Retail/dispensary license limits in cities – 1 for every 12,500 population
  - f. License limits within cities CANNOT be placed on the growing, testing, manufacturing facilities.
  - g. Retail/dispensary CANNOT be 1,000 feet from a school or 500 feet from a daycare/park – CANNOT put these regulations in place to completely prohibit a dispensary. DOES NOT apply to growing, testing, or manufacturing facilities.
  - h. License issued through the Office of Cannabis Management. All other burden on cities.
    - i. Zoning
    - ii. Registration & Permits
    - iii. Compliance Checks
    - iv. Registration Fees
      1. \$500 or percentage of license fee, whichever is least. This covers an initial registration and one renewal.

- v. Renewal Registration Fees
    - 1. \$1000 or percentage of renewal license fee, whichever is least. Not collectible until 2<sup>nd</sup> year renewal as initial registration fee covers registration and 1<sup>st</sup> year renewal.
  - i. Townships CANNOT prohibit cannabis business.
- 6. LAND USE – ENVIRONMENT
  - a. Legalizing Affordable Housing Act – the issues we discussed that will limit ROWs, zoning authority for cities, etc.. Bill did NOT pass BUT will return to legislation in 2024 and is gaining bipartisan support.
  - b. “Sacred Settlements” – Beginning 2024 cities MUST allow these micro units on religious property.
  - c. DNR powers SUBSTANTIALLY increased to enforce penalties on Water Appropriation Permits
  - d. \$240M Lead Service Line Funds
  - e. Natural Landscaping – Cities required to allow “managed natural landscape” on all parcels. Weeds & Grasses must NOT exceed 8 inches or go to seed.
- 7. \$1.5B BONDING BILL
  - a. \$402M Transportation
  - b. \$10M Local Tree Planting
  - c. \$49.7M Flood Hazard Mitigation
  - d. \$513.5M to Public Facilities Authority
  - e. \$443M to DEED
  - f. \$76M to Minnesota Housing Finance Agency
- 8. ADDITIONAL LEGISLATION
  - a. \$100M for Border-to-Border Broadband
  - b. State matched funds secured for the federally allocated \$6.1B Infrastructure Investment and Jobs Act for Minnesota
  - c. Health & Human Services Bill – \$300M in Nursing Home Grant Funds to be distributed in August 2023
  - d. Public Safety PTSD Duty Disability Bill – LMC Webinar in July

## ADMINISTRATOR REPORT

### MESSAGE

IUP REQUESTS | Now that the bonding bill has passed, Bolton & Menk has completed the requests for placement on the Intended Use Plan for 2024. This is the funding for infrastructure that includes Clean Water, Drinking Water, and Lead Service Lines.

LEGEND CABINETRY - MIF | Last week I met with Jason Burak from DEED to close out the Legend Cabinetry Minnesota Investment Fund Grant!

AUDIT | It is audit time – I have been working on getting documents over to Rebecca.

REPORTING | CCR is completed. TIF Reporting is due August 30<sup>th</sup>. WINS Survey is due June 30<sup>th</sup>. Pond permit complete and going through the review phase now.

HOUSING IMPACT FUND | I have a zoom meeting set up for Thursday to meet with Dickens, Extreme Panel, and Bolton & Menk about the beginning phase of a new development just north of Northwood right behind Penske’s lot. With the new housing funds, all costs are included in the grants so we are going to apply for the Minnesota Housing Impact Fund RFP that is due in July. We have the biggest areas covered:

developer, land, and engineer so now we are all going to meet about pursuing the opportunity to do a small development of the Extreme Panel Enviro Homes.

Council reviewed the May Meeting Minutes of the Cottonwood Ambulance Service.

Council reviewed the liability waiver form and considered the approval of the “Does Not Waive” option.

A motion by Shannon Geihl to approve the “Does Not Waive” option. Seconded by Joel Dahl. Carried.

Council reviewed the following Resolution of Support to Capital Bonding Request:

**RESOLUTION NO. 2023\_0606**  
**A RESOLUTION AUTHORIZING A 2024 CAPITAL BUDGET REQUEST**  
**TO THE STATE OF MINNESOTA FOR AN INFRASTRUCTURE**  
**PROJECT.**

WHEREAS, under the provisions contained in Minnesota Statutes 16A.86, Subd. 3a (6) sets out the process by which local governments and political subdivisions may request state appropriations for capital improvement projects. The Governor and Legislature will consider these bonding requests in the 2024 session; and,

WHEREAS, Local governments should submit their capital budget requests to Minnesota Management and Budget (MMB) by June 16, 2023; and

WHEREAS, the City of Cottonwood proposes a infrastructure project and has a identified a substantial need for State financial assistance in addition to funding from the City which meets or exceeds the state funding; and,

WHEREAS, the City of Cottonwood has the legal authority to apply for Capital Budget assistance, and has the financial, technical, and managerial capacity to ensure proper construction, operation and maintenance of the project for its design life.

NOW, THEREFORE, BE IT RESOLVED that the City of Cottonwood is authorized to submit the necessary 2024 Capital Budget application and information to the Minnesota Management and Budget Office.

Adopted by the City Council this sixth day of June, 2023.

A motion by Joel Dahl to Approve Resolution No. 2023\_0606 A Resolution Authorizing A 2024 Capital Budget Request To The State Of Minnesota For An Infrastructure Project. Seconded by Shannon Geihl.

A motion by Joel Dahl to approve building permit 2023\_11. Seconded by Shannon Geihl. Carried.

A motion by Shannon Geihl to approve building permit 2023\_15. Seconded by Joel Dahl. Carried.

A motion by Joel Dahl to approve building permit 2023\_16. Seconded by Shannon Geihl. Carried.

A motion by Shannon Geihl to approve building permit 2023\_17. Seconded by Joel Dahl. Carried.

A motion by Shannon Geihl to approve building permit 2023\_18. Seconded by Joel Dahl. Carried.

A motion by Joel Dahl to approve the payment of bills totaling \$46,066.38. Seconded by Shannon Geihl. Carried.

Council reviewed the 2022 Consumer Confidence Report.

Mayor Moseng provided an update to the council on the post office and the selection committee process that will take place.

A motion by Joel Dahl to adjourn the meeting. Seconded by Shannon Geihl. Carried at 830pm.