



Regular City Council Meeting Minutes
August 19, 2021
City Council Chambers | 315 Main Street South

IN ATTENDANCE – Mayor Carl Pederson (attended remotely), Councilor Mary Kay Sloan, Councilor Steve Ovick, Councilor Kyle Palmer and Councilor Gina Pettie

STAFF/OTHER ATTENDANCE – Interim City Administrator Lynda Woulfe, Park and Recreation Director Stacy O'Rourke, Public Works Supervisor Maury Montbriand, Liquor Operations Manager Lara Smetana, and Interim Treasurer Catherine Demes Maydew (attended remotely).

Call to Order

Pederson called the meeting to order at 10:00 am.

Approval of Agenda

Pettie moved, seconded by Ovick, to approve the agenda as presented. Upon call of the roll, Palmer, Pettie, Sloan, Pederson, and Ovick voted aye, no nay; the motion carried unanimously.

Consent Agenda

Ovick moved, seconded by Palmer, to approve the consent agenda as follows:

- a. August 4, 2021 Regular City Council Meeting minutes and August 6, 2021 Special Council meeting minutes
- b. Accounts Payable through August 20, 2020, total of \$94,685.49
- c. Resolution 21-40 Accepting ARPA Funds
- d. Accept Andy Luedtke's resignation

Upon call of the roll, Palmer, Pettie, Sloan, Pederson, and Ovick voted aye, no nay; the motion carried unanimously.

Work Session

No items.

Unfinished Business

Township Fire Contracts for 2021 and 2022

Woulfe requested the City Council to approve the township fire contract amounts for 2021 and 2022. Woulfe reviewed the model contract the City currently has with Chengwatana Township. Fire contract amounts for 2021 and 2022 were recommended as follows:

Township/City	2020 Certified Net Tax Capacity by Tax Base ⁽¹⁾	% of Municipality Covered by Fire Protection ⁽²⁾	Certified Net Tax Capacity Based on Covered Area	% Allocation Based on Net Tax Capacity @ % Coverage ⁽³⁾	2021 Fire Protection ⁽⁴⁾⁽⁷⁾	2021 Capital Outlay
Chengwatana Twp	\$ 1,070,099.00	100%	\$ 1,070,099.00	10.69%	\$ 27,148.26	\$ 18,842.94
Mission Creek Twp	\$ 462,825.00	100%	\$ 462,825.00	4.62%	\$ 11,732.93	\$ 8,618.93
Munch Twp	\$ 333,581.00	50%	\$ 166,790.50	1.67%	\$ 4,241.12	\$ 3,115.90
Pine City Twp	\$ 1,445,596.00	100%	\$ 1,445,596.00	14.44%	\$ 36,671.78	\$ 26,938.83
Pokegama Twp	\$ 3,219,746.00	100%	\$ 3,219,746.00	32.17%	\$ 81,686.79	\$ 60,015.39
Royalton Twp	\$ 871,211.00	38%	\$ 331,060.18	3.31%	\$ 8,406.06	\$ 6,175.04
Hennelle - City	\$ 26,845.00	100%	\$ 26,845.00	0.27%	\$ 685.89	\$ 503.70
Rock Creek - City	\$ 1,391,263.00	54%	\$ 751,282.02	7.51%	\$ 19,072.36	\$ 14,010.43
Pine City - City	\$ 2,534,720.00	100%	\$ 2,534,720.00	25.32%	\$ 64,302.96	\$ 47,236.23
Overall Total			\$ 10,008,963.70	100.00%	\$ 263,869.56	\$ 186,667.00

2021 Budgeted Fire Contracts with Other Municipalities (100-34225)⁽⁴⁾ \$ 185,657.00
Percentage Sum of Contracted Municipalities 74.68%

Capital Outlay for Fiscal Year 2021⁽⁵⁾

Rescue UTV w/ Firefighting Skid⁽⁶⁾ \$ 5,500.00
Washer Extractor⁽⁸⁾ \$ 10,148.00

Capital Outlays for Fiscal Years 2021-2030

Rescue UTV w/ Firefighting Skid⁽⁶⁾ \$ 5,500.00
Washer Extractor⁽⁸⁾ \$ 10,148.00
New Tender⁽¹⁰⁾ \$ 190,000.00
New Pumper Truck⁽¹¹⁾ \$ 655,000.00
Extrication Equipment⁽¹²⁾ \$ 40,000.00
Radio Equipment Replacement⁽¹³⁾ \$ 125,000.00
Grass Truck Replacement⁽¹⁴⁾ \$ 115,000.00
Ladder Truck Replacement⁽¹⁴⁾ \$ 250,000.00
Outdoor Sirens⁽¹⁶⁾ \$ 133,222.00
New Tender⁽¹⁷⁾ \$ 337,704.00
\$ 1,865,574.00

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Mission Creek Twp	\$ 462,825.00	54%	\$ 249,925.50	2.55%	\$ 6,670.25	\$ 8,618.93
Munch Twp	\$ 333,581.00	50%	\$ 166,790.50	1.70%	\$ 4,448.83	\$ 3,115.90
Pine City Twp	\$ 1,445,596.00	100%	\$ 1,445,596.00	14.76%	\$ 38,606.96	\$ 26,938.83
Pokegama Twp	\$ 3,219,746.00	100%	\$ 3,219,746.00	32.87%	\$ 85,980.90	\$ 60,015.39
Royalton Twp	\$ 871,211.00	38%	\$ 331,060.18	3.30%	\$ 8,841.35	\$ 6,175.04
Hennelle - City	\$ 26,845.00	100%	\$ 26,845.00	0.27%	\$ 708.28	\$ 503.70
Rock Creek - City	\$ 1,391,263.00	54%	\$ 751,282.02	7.67%	\$ 20,063.08	\$ 14,010.43
Pine City - City	\$ 2,534,720.00	100%	\$ 2,534,720.00	25.88%	\$ 67,086.48	\$ 47,236.23
Overall Total			\$ 9,796,864.20	100.00%	\$ 261,678.35	\$ 186,667.00

2021 Budgeted Fire Contracts with Other Municipalities (100-34225)⁽⁴⁾ \$ 185,657.00
Percentage Sum of Contracted Municipalities 74.12%

Capital Outlay for Fiscal Year 2022⁽⁵⁾

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\$ 1,865,574.00

Sloan moved, seconded by Ovick, to approve the 2021 and 2022 township fire contract amounts and directed staff to prepare the contracts for execution by the townships and Council. Upon call of the

roll, Pettie, Sloan, Pederson, and Ovick voted aye, Palmer abstained due to a potential conflict of interest; the motion carried.

Organizational Chart

Woulfe stated that the Executive Committee has been working on a new organizational structure for several months. Woulfe noted the chart has gone through several iterations before landing on the one being proposed for Council consideration and the proposed chart was devised independent of who would be in what “box” because an organization’s structure should be solid no matter what employee is currently residing in a position. Woulfe stressed the organization’s structure should be determined on what makes the best sense for overall management, service deliverability, and accountability.

Woulfe noted the only new position in the chart is the Maintenance Services position. Woulfe stated the proposed cost of implementing the new organizational structure is outlined below (salary and benefits):

Job Title	Current	Proposed Titles	Future Costs
Administrative Assistant - CK	69,821.00	Deputy Clerk	86,489.00
Safety Inspector	81,297.00	Central Services Director	81,297.00
Fire Chief	57,976.00	Fire Chief-Emergency Management Director	65,000.00
Parks and Recreation Director	75,658.40	Parks Supervisor	75,658.40
Public Works Director	94,084.00	Public Works Supervisor	94,084.00
Cleaning Contract	39,600.00	Maintenance Services	42,057.00
Treasurer	86,283.00	Finance Director	86,283.00
Community Dev. Dir.	99,200.14	City Planner	99,200.14
Total	603,919.54	Total	630,068.54

The Deputy Clerk position is a significant change due to the additional duties added into the job description (assisting with human resources activities). The Maintenance Services position will be charged 50% to the general fund, 25% to liquor, and 25% to sewer/water and the expenses above only show the general fund expense. Woulfe noted the current cleaning contract would be eliminated so the increased cost in personnel will be somewhat offset by the elimination of those expenditures.

Woulfe noted the organizational chart does not address all personnel needs and suggested the Council think about adding the following positions in the future:

- Information Technology Manager
- Human Resources Generalist
- GIS Coordinator

Woulfe recommended the Council contract for Information Technology and GIS since the levy is unable to support additional positions. In the 2022 budget, there is a proposed contract amount of \$36,000 for GIS services from Community GIS. The City will need to address how it wants to continue

with its Information Technology needs since our current contractor (Bombard Computer Services) is at their capacity for assisting clients. With the departure of Andy Luedtke, who has done a lion's share of the city's IT needs, you may need to solicit formal proposals for IT services to ensure continuity of our IT system.

Woulfe stated the currently contracts with MSA for planning and zoning services at \$145 per hour for Kate Eiyneck and \$125 per hour for Lucas Jones and could continue with that contract. If the Council determines it would rather continue to contract for these services, the Council will need to determine where to put code enforcement efforts and because code enforcement is included in the proposed City Planner's job description.

Woulfe commented the next step in the process would be to approve the proposed organizational chart, the job descriptions for City Planner, Maintenance Services, Finance Director, and Central Services Director, and to commence the hiring process for the Maintenance Services, City Planner, and Central Services Director. Woulfe noted the Finance Director position should be advertised in October in the hopes of bringing a person on before the end of the year. The Finance Director will then be able to have input on the enterprise system that is being purchased for the City's financial software. The City's current contract with BerganKDV expires at the end of this year.

Pederson stated he is not 100% supportive of the new organizational structure. *(Due to remote connection issues Pederson was not able to continue with continued Council discussion and the ultimate vote on a motion.)*

Sloan indicated the Executive Committee has been working on this for a long time and felt it provides the best structure for service delivery. Ovick stated that an organizational chart is always a work in progress and can be tweaked in the future if necessary. Pettie and Palmer indicated support for the proposed structure and hiring process.

Montbriand asked if the approval of the organizational chart should wait until the new City Administrator is on board. Sloan indicated she felt it was important to move forward so the structure is set for the new Administrator to take over.

Sloan moved, seconded by Ovick, to approve the proposed organizational chart as presented, approve the job descriptions for City Planner, Maintenance Services, Finance Director, and Central Services Director, and directed the Interim City Administrator to begin the hiring process for the positions of Maintenance Services, City Planner, and Central Services Director with the Finance Director position being advertised in October in the hopes of bringing a person on before the end of the year.

Upon call of the roll, Palmer, Pettie, Sloan, and Ovick voted aye, no nay; the motion carried with Pederson being unable to vote due to remote connection issues.

Request to Fill Safety Inspector Position on a Temporary Basis for Eight Weeks

Woulfe stated that with Andy Luedtke's resignation, it may be advantageous to bring Dave Hill back on a temporary basis to perform the duties of Safety Inspector. Mr. Hill was the City's former Fire Marshal and has the skills and qualifications needed to perform the duties of Safety

Inspector. Woulfe proposed the City hire Mr. Hill as a temporary employee at the rate of \$25 per hour for up to 40 hours per week effective August 23, 2021 for a period of eight weeks.

Pettie moved, seconded by Palmer, to authorize the hire of Dave Hill as a temporary employee for the position of Safety Inspector at \$25 per hour for up to 40 hours per week for a period of eight weeks. Upon call of the roll, Palmer, Pettie, Sloan, and Ovick voted aye; the motion carried with Pederson being unable to vote due to remote connection issues.

New Business

Request to attend MMBA Conference

Smetana stated that Voyageur Bottle Shop is a member of the MMBA (Minnesota Municipal Beverage Association) and each year there is an annual conference for member cities to network, update their operations on best practices, learn what is going on in the industry and legislature, as well as receiving alcohol awareness training. Smetana noted this conference did not take place in 2020, and it has been a few years since anyone from our staff has attended. I have attended many times and I also served on the MMBA Board of Directors for six years. The MMBA has served the city very well in the past and can help our store remain profitable. Smetana requested Council permission to register herself and Deb Lawler for the conference with each registration costing \$695 for the three-night/ four-day conference. Smetana stated there is \$1500 in the liquor budget for training and conferences and having two attend the conference would fall within the budgeted amount.

Ovick moved, seconded by Pettie, to approve attendance at the 2021 MMBA conference for Smetana and Lawler as presented. Upon call of the roll, Palmer, Pettie, Sloan, Pederson, and Ovick voted aye, no nay; the motion carried unanimously.

Palmer requested that Smetana provide an update to the Council after attending the conference.

Riverview Townhomes Water Meter

Montbriand provided the following history of events on the Riverview Townhomes irrigation meter:

On September 2, 2020 – Dave Mettler called and asked that the water be shut off at the street and that the meter be pulled and then stored at the Public Works building until spring for the Riverview Townhomes. Matt Rootkie shut off the water at the street, pulled the meter, and brought the meter to the Public Works building to be stored until spring. On April 26, 2021 – Dave stopped and paid the reconnection fee.

On April 29, 2021 – Maury Montbriand took the meter off the shelf (where it was stored) and took it to the townhomes to be installed into the pit. However, the backflow preventer and the valves were not hooked up and there was a resident present. Maury explained to the resident that the sprinkler contractor needed to install the meter and backflow preventer and that he would return when called to turn the water back on at that time. Maury returned a couple of days later to turn the water on.

The association was sent water/sewer bills in May, June, and July (nothing was flagged by our system as being wrong – therefore we did not look at these bills extra close).

August 2, 2021 – Rita Kislenger (treasurer for the association) called to say that she thought there was a problem as the reading was still the same as when it was reinstalled. Maury went to check it out and found that the meter had been tampered with (as the guts of the meter had been removed).

We then called Kislenger back and explained what we had found. It was explained that the guts of the meter were removed by someone (we did not know who) and that a new meter would need to be purchased.

Kislenger said that she would need to relay the information to the President of the association (Dave Mettler) and that he would then be in touch with us.

August 16, 2021 –Mettler came out to the Public Works building. He asked (Lisa) if we were going to give them a new meter. Dunbar replied “No” not unless the new meter was purchased. Then things became very heated (on Dave’s part). He was yelling, swearing at us, calling Maury names, and saying that we were accusing 70- and 80-year old’s of doing this (removing the guts of the meter). Other than Maury reiterating one of the names that Dave was calling him in a question form, we were not able to get a word in to try and explain what had been found and how we could move forward.

August 17, 2021 @ 9:48 a.m. – (Prior to knowing this was to be on the August 19, 2021 agenda) We reached out to Mettler and asked if he would be willing to come in and sit down and so that we could explain our view and he could explain their view. Mettler said he was at work and would call when he was back. Mettler called at 1:18 p.m. and said he was back in town. Maury asked if Mettler was willing to come in and talk with us, he stated that he didn’t see what that would accomplish as the city’s position was made pretty clear. He also stated that if we wanted to meet with him to avoid going to the City Council to just say so (no response was made to this comment). Dave then proceeded to say that he thought things should have been handled in the following way: That he should have been contacted as to what was found, so that he could have called the police and had a report filed (***The information was given to Rita (as she is the one that contacted us to begin with and she said she was relaying the information to Dave)***). Then he could have contacted his insurance company to file a claim and then move forward from there. He was told that his position was understood.

Montbriand recommended the following action to resolve this issue:

- Have the association purchase a new meter and leave the water/sewer bills for the three months (May, June, and July) as they were billed (***which has been past practice***).
- The City would no longer pull or store the meter for the association and it would be their responsibility to do so in the future.

Palmer asked if when the meters are read is there a report that would show the meters that registered zero use so this problem could be avoided in the future. Montbriand indicated he would need to check the software to see if this is possible.

Sloan moved, seconded by Ovick, to have the association purchase a new meter, leave the water/sewer bills for the three months (May, June, and July) as they were billed according to past practice, and directed the City to no longer pull or store the meter for the association since this is not done for other meter owners. Upon call of the roll, Palmer, Pettie, Sloan, Pederson, and Ovick voted aye, no nay; the motion carried unanimously.

Department – Committee Reports

Liquor

July was another busy month at the liquor store. Sales were down slightly from 2020. As bars are opening with longer hours and more staff, we are seeing a decrease in our off-sale. I continue to monitor sales and customer counts and adjust scheduling accordingly.

With sales down slightly and our COGs (cost of goods) up slightly we had a lower gross profit percent. for the month of July. We have been experiencing many out-of-stock items and bringing in others to fill the holes in our coolers and on the shelves, when doing this we don't always get the best deals on costs and therefore our cost of goods is a bit higher. We consistently monitor costs and pricing so we can capture the best profit margin possible. We have received information that some of the products that we have had out of stock for some time will now be discontinued by our vendors.

The beer vendors are preparing for a cooler reset this fall. With the change in the market and our stocking issues, our cooler has been a bit disorganized so this fall we will do a reset of the products so they are easier and more logical to shop for our customers.

For the month of August, we are doing a fundraiser in conjunction with Miller/Coors for the fire relief association. Our beer of the month is Coor's and we will be having firefighters join us for our Friday night tastings. We have donation cans on the counters and are selling the FD t-shirts as a way to boost donations for the relief association.

We have been experiencing more than normal issues with our POS system and are working with our IT support to get those resolved. We have also experienced some issues with the bill paying. This is concerning because as a municipal liquor store we have 30 days to pay our invoices and if we don't, our vendors are required to turn us into the state and we are put on a no-ship list. Meaning, we will not receive product from any of our vendors. Fortunately, we have great relationships with our vendors and they call and ask for payment before they go to the state.

Public Works

No items to report.

Parks & Recreation

Affirmed beach closing on August 22, 2021.

August 19, 2021

Administration

Woulfe noted the Executive Committee is recommending, based on the current background information available, to rescind the offer to the primary candidate. Sloan moved, seconded by Pederson, based on the current background information available, to rescind the offer to the primary candidate. Upon call of the roll, Palmer, Pettie, Sloan, Pederson, and Ovick voted aye, no nay; the motion carried unanimously.

Sloan moved, seconded by Pederson to move forward with the second highest ranking candidate to determine their interest in the City Administrator position, direct BerganKDV to initiate the process of offer of conditional letter, conduct background checks, and upon successful completion the Council then directs the Interim Administrator to begin negotiations with the candidate. Upon call of the roll, Palmer, Pettie, Sloan, Pederson, and Ovick voted aye, no nay; the motion carried unanimously.

Council Concerns

Palmer requested that the topic of reports for no water usage be put on a future Council agenda for discussion.

Pettie moved, seconded by Palmer, to take a five-minute break and come back to session at 11:01 am. Upon call of the roll, Palmer, Pettie, Sloan, Pederson, and Ovick voted aye, no nay; the motion carried unanimously.

2022 Budget and Capital Plan Update

The Council reviewed the second draft of the proposed 2022 operating and capital budgets. Councilmembers requested several changes to the capital budget and directed staff to prepare a new budget that will not increase the levy any more than five percent. Council stressed that a levy increase lower than five percent is absolutely desired. Pederson stressed that the City should not be considering buying the new fire trucks with cash but should be financing the purchase with an equipment certificate. Pederson also stressed that he would like to see prior years of set-aside funds attributed to the departments the funds were budgeted for as compared to a general balance that is available to all departments.

ADJOURN

Sloan moved, seconded by Palmer, to adjourn the meeting at 12:45 pm. Upon call of the roll, Palmer, Pettie, Sloan, Pederson, and Ovick voted aye, no nay; the motion carried unanimously.

ATTEST:

Carl Pederson, Mayor

Linda J. Woulfe, Interim City Administrator

Carl Pederson attended this meeting remotely from Elkhorn Ridge, 20189 US Hwy 85, Spearfish, SD 57783.