

Minutes
Silver Lake City Council
Regular Meeting
November 15, 2021

Mayor Bebo called the regular meeting to order at 6:30 pm.

Members present: Mayor Bruce Bebo, Councilor Josh Winfrey, Councilor Chris Penaz, Councilor Michelle Schneider, Councilor Sandie Adams-Bruins

Members absent:

Staff present: Diane Pedersen, Steve Hackbarth, Dale Kosek, Jerrod Weckman

Others present: Karin Ramige, Lee Ortloff (People Service), Scott Quille (MNSPECT), Scott Kriese (KLM Engineering, Inc.), Mike Jaunich, Kyle Wawrzyniak (SLFD), Donna Schmidt

Motion by Winfrey second by Penaz to approve the agenda. Vote for: Unanimous. Motion carried.

Consent Agenda

1. Approve minutes from October 18, 2021, Regular Meeting
2. Approve Payroll 22 and 23 and October Ambulance
3. Approve Claims
 - a. Page 15 Juul Contracting Company discussion
 - b. Page 20 Harlan's Auto Repair discussion
 - c. Page 21 Mikolichek Plumbing & Heating Aud. Furnace Repair discussion

Motion by Winfrey second by Schneider to approve the Consent Agenda. Vote for: Unanimous. Motion carried.

Public Comment – No comment given.

Department Business

1. Public Works
 - a. Supervisor Report
 - i. Knife River will have a report on coving cracks on pool deck.
 1. Public Works Supervisor Kosek stated that a Sales Rep came out and looked at the cracks and stated that the cracks are more cosmetic than structural flaws. His recommendation is to seal the cracks like Aqua Logic said they would do. Aqua Logic has been unable to come out and do the sealing due to weather. Councilor Winfrey asked who poured the concrete, it is believed it was Cemstone. He stated that the work was done because it was cracked, and it was immediately defective. He was told by a mason that those cracks are due to the cement being poured too wet and they are shrinkage cracks. He feels the taxpayers should not have to pay for defective work and they should be replaced, not just sealed. Supervisor Kosek will have Cemstone attend the next regular council meeting to discuss the situation.
 - ii. Boss Plow is ready for service.
 - iii. Public Works employees will be taking time off this month and have made the necessary arrangements for snow backup between Borka Excavating and part-time employees.
 - iv. Heater replacement quotes for two (2) 150,000 BTU heaters for the East Shop.

1. Quotes received from TEK Services for \$9500 and Mikolichek Plumbing & Heating for \$9540. There is only a \$40 difference, so Supervisor Kosek, Public Works Employee Weckman and Councilor Penaz all recommend accepting the quote from Mikolichek Plumbing & Heating because they are local, they do a lot of work for the city, are very prompt in their response to requests from the city. Supervisor Kosek pointed out that a third quote was requested but they chose not to submit one. He does stress that our local businesses are providing fair quotes for the work we need done. The current Public Works balance is \$57,000. There is also \$29,700 in Public Works Capital Improvements.
 - a. Request for Action to approve heater replacement in the East Shop.

Motion by Penaz and second by Schneider for heater replacement by Mikolichek Plumbing & Heating for the East Shop with a bid of \$9540 for two (2) 150,000 BTU heaters. Vote for: Unanimous. Motion carried.

v. Open Bids for Heinker Plow

1. Three sealed bids received for the old snowplow after running an ad for two weeks.
 - a. \$450, \$525, and \$875
 - i. Supervisor Kosek and Public Works employee Weckman would like to accept the bid from Cars on Patrol for \$875 who is purchasing it for parts.

Motion by Penaz second by Adams-Bruins to accept bid of \$875 from Cars on Patrol Shop for the Heinker V Plow from the old F450. Vote for: Unanimous. Motion carried.

vi. Water Tower update – Steve Kriese (KLM Engineering, Inc.)

1. Pictures and drone video viewed of water tower paint job prepared by Public Works. The expectation was that every part of the water tower was to be painted.
 - a. There are parts of the top, joints and ladder that were not painted red.
 - b. Catwalk and railing around the base of the tower was not painted at all and is very rusty.
 - c. Cross braces around the bowl are not painted.
 - d. Cross braces between the legs are not painted.
 - i. Mr. Kriese stated that some of what is being shown is old original red lead primer, not rust. The assumption is that it was painted, but the paint has come off. He stated that spraying will not work on the areas that are not painted, they need to be brushed or rolled because the overspray would affect everything behind the braces.
 - ii. Councilor Penaz stated that three stipulations in the contract, including the type of paint used and the time frame for completion, were not met and the subcontractor left the job unfinished.
 - iii. The question was asked what KLM is going to do to bring the job up to the standards of KLM and the satisfaction of the city. Mr. Kriese stated that they will return in the spring and make sure additional power washing, power tooling and coating work gets done. They will use a product other than the dry fall product as that won't work for the areas that weren't painted. It was noted that there wasn't even an attempt to paint the catwalk and crossbars and the council asked for a timeframe of when and how quickly the work will be done. It was stated that the drone will be used again to verify the work once it is complete.

- vii. Request for Action to approve paying the total bill from Ken Matthews for the pond tiling. Original bid was for up to \$1,000, total bill came to \$1195. They did seek approval for the extra expense prior to completing the work.

Motion by Penaz second by Winfrey to approve the overrun of \$195 and to pay the full bill of \$1195 to Ken Matthews for pond tiling repairs. Vote for: Unanimous. Motion carried.

- viii. Borka Excavating 2021-2022 snow removal bid increased from \$70 per hour to \$80 per hour.

Motion by Penaz second by Adams-Bruins to accept bid of \$80 per hour from Borka Excavating for snow removal. Vote for: Unanimous. Motion carried.

viii. Post office is requesting a hole on their property to be filled in by the city as they feel it is located in the alley. Public Works Supervisor Kosek confirmed that it is not a washout, it is a pothole on their property from the mail trucks driving on it. It was agreed that this is a private property matter, not a city matter, and public works will not fill it.

b. People Service – Lee Ortloff

i. Revised quotation from Quality Flow for Lift Station Pumps

1. Received revised quote from QualityFlow deducting \$3000 from the original quote. A second quote was requested from Tri-State Pump, the installer of the current pumps, per council request, but they did not wish to provide a quote after coming out and seeing the work that needs to be done. They recommended having QualityFlow do it as they couldn't compete with their price. There is only one other company that does this type of work and they can't beat the price from QualityFlow either because QualityFlow builds everything in-house.
2. Spoke with John and Jordan from SEH to verify that the equipment being put in meets the needs of the infrastructure project. The equipment that is being put in now will be able to be transferred to the new pump station when it is built.
3. The city has received the remainder of the LMC claim for \$17,933 to replace the defective pumps that were installed.
4. There is a 14-week lead time to get the parts and have the pumps up and running. The plan is to have them in place by the end of March before the rain starts. The temporary pump will be put in when the bottom flow check valve is received. If that part does not come in until 2022, PeopleService may not put the temporary pump in and just wait for the new pumps as the cost for the temporary pump is around \$7000.

Motion by Penaz second by Winfrey to accept the quote of \$65,990 from QualityFlow for replacement of lift station pumps. Vote for: Unanimous. Motion carried.

c. SEH Engineering

- i. SEH is not allowed to be present for the PowerPoint presentation for the Senate tour and we may only receive a two-hour notice before the presentation. Mayor Bebo will plan on giving the presentation but if he is not available, Councilor Penaz and Public Works Supervisor Kosek will give it.

2. Public Safety

- a. Fire Department – report presented by Fire Chief Kosek.
 - i. Presented calls for September.
 - ii. Kyle Wawrzyniak

1. Presented four applicants for the four open positions in the fire department. (One applicant for each position.)
 - a. Chief – must have been on the fire department for ten years and started at the bottom and worked their way up from lieutenant, captain, etc.)
 - i. Chief 1, 2, & 3 have the same requirements, so each one can fill in for either of the others.
 - b. Safety/Accountability Officer
 - c. Secretary
 - d. Captain – must be on the fire department for six years (a lieutenant is four years)
2. Request for Action to accept the four applicants for the four open positions. These are all three (3) year terms.

Motion by Adams-Bruins second by Winfrey to appoint Dale Kosek as Chief 1 of the Fire Department. He has been on the Fire Department for 40 years. Vote for: Unanimous. Motion carried.

Motion by Adams-Bruins second by Penaz to appoint Wade Dolezal as Safety/Accountability Officer of the Fire Department. He has been on the Fire Department for 19 years. Vote for: Unanimous. Motion carried.

Motion by Adams-Bruins second by Schneider to appoint Trisha Zajicek as Secretary of the Fire Department. Vote for: Unanimous. Motion carried.

Motion by Adams-Bruins second by Schneider to appoint Brandon Matthews as Captain 2 of the Fire Department. Vote for: Unanimous. Motion carried.

- iii. Township contributions and contracts and were provided for reference due to budget preparations. The townships will come to the February meeting and then they have their meetings in March.
- b. Sheriff Report
 - i. Councilor Adams-Bruins presented the Sheriff's monthly report.
 - ii. Resolution 21-25: Resolution approving McLeod County Sheriff's office contract for police services at 50 hours per week at a rate of \$59.70 per hour or \$155,220 for the year 2022.

Motion by Adams-Bruins second by Adams-Bruins to accept the Resolution 21-25: Approving the McLeod County Sheriff Department's contract for 2022 for 50 hours per week at a rate of \$59.70 per hour for an annual total of \$155,220 for the year beginning January 1 through December 31, 2022. Vote for: Unanimous. Motion carried.

- c. Ambulance Department – report presented by Councilor Adams-Bruins
 - i. Discussed calls for October.
 - ii. Request for Action for Reserved Parking in the four parking spots straight across from the ambulance bay. This will help for those who have difficulty backing the ambulance in as they can move their vehicle if necessary.

Motion by Adams-Bruins second by Winfrey to approve placing "Emergency Personnel Parking Only" signs in the four parking spots directly across from the ambulance bay. Vote for: Unanimous. Motion carried.

- iii. Assistant Chief
 1. Chief Hackbarth stated that Angie is willing to volunteer to be Assistant Chief. She is currently in the process of finishing up her EMT. Michelle Schneider had resigned and the position has not been filled since. The question was asked how positions are filled,

are they assigned by the Chief or are they assigned by a committee. According to the by-laws, the executive committee made up of the officers of the service make the appointments. The question was raised as to whether there are minimum requirements for a member to hold a position. Currently, there are not.

- iv. Township funding – township meetings are held the third Thursday of each month. Councilor Adams-Bruins and Mayor Bebo will attend a meeting prior to their budget meeting.

3. Municipal Liquor/Auditorium

- a. Councilor Schneider presented the MSL report.
 - i. Updating menus and have added a daily soup option.
 - ii. Continue to work on straightening out inventory, updating inventory lists, deleting old items that are no longer carried, and tracking sales history on items to decide if they should be discontinued.
 - iii. Starting to cycle count inventory to prepare for year-end audit.
 - iv. FLWA Wrestling will be at the Silver Lake Auditorium on December 4th.
 - v. Thanksgiving Comedy night will be at the Silver Lake Auditorium the night before Thanksgiving, Wednesday, November 24th.
 - vi. Held a Wine & Whiskey tasting at the Muni on November 6th. Everyone that stopped in was able to sample the featured products that afternoon and we sold a few bottles.
 - vii. There was a minor profit for the month of October if the correct years were pulled for the report. Year-to-date they are doing well.
 - viii. Page 90 of the packet, wage rates. Two scenarios presented. It was stated that the whole compensation plan needs to be looked at when adjusting the bartender rates. That will be completed for the next council meeting.

4. Community Development

- a. Planning Commission met on November 9. There were scheduling conflicts, so there was not a quorum present.
 - i. Clean Chickens and Co., LLC
 - 1. New business looking at a two-acre Grand Ave lot. This area is zoned residential, not commercial, and the lot is township property not city property. An impact study would need to be done before a business was brought in. The location of the lot and the size of the roads is not conducive to supporting a business in this area. It will be presented to the business that the city has property for sale on Main Street, which would be a better fit for a business. The city cannot stop the business from buying the township lot, but it can restrict trucks from driving on the five-ton limit streets. The city can also deny road access and hook-up to city water and sewer.
 - ii. James Nowak LED sign
 - 1. Scott Quille from MNSPECT was present to answer design and permit questions. An engineered drawing with specs will need to be presented to MNSPECT with a permit request to verify the integrity of the sign and ensure it will be able to withstand high winds/weather issues.
 - 2. The city would like a better rendering and descriptive design of the sign that will provide a better indication of what it will look like. If the design is very presentable, it would be a great asset to the community.
 - 3. Sign Ordinance – Type 6 -> On-Premises self-supporting signs advertising a public or semipublic use shall not exceed 32 square feet in gross area. Also, Letter D, Characteristics for commercial and industrial signs – number 2 – Projecting signs - structure shall not exceed 100 square feet in area.

4. MNDOT restrictions need to be obtained in writing, such as height restrictions and the amount of time changeable content needs to be projected to prevent distraction for drivers.

5. Administration

- a. October Treasurer's Report reviewed.
- b. Swimming Pool year-end figures.
- c. Mr. Broll development setbacks – should remain consistent with the previous homes built in the development.
- d. Memorandum regarding slab homes – new homes do need to be brought to the planning commission.
- e. Annexing land – information provided on previous land annexed by the city.
- f. Request for Council Action – closing city hall on Friday, November 26, 2021.

Motion by Winfrey second by Schneider to approve the request to close City Hall on Friday, November 26, 2021. Vote for: Unanimous. Motion carried

- g. City Attorney
 - i. Not requesting fee adjustment. Prior contract was included for reference.
 - ii. Resolution 21-24: Approving State of MN Joint Power Agreements with the City of Silver Lake on Behalf of its City Attorney and Police Department.
 1. Tabled until December for more information to be provided regarding the purpose of the JPA.
- h. Resolution 21-26: Resolution Appointing a Responsible Authority

Motion by Winfrey second by Penaz to approve Resolution 21-26: Appointing a Responsible Authority. Vote for: Unanimous. Motion carried.

- i. 217 Century Lane Drain Tile – homeowner was instructed to contact the builder and the person who laid the drain tile as this is a private property matter, not a city matter. It was found that they were choosing to not turn the pump on to drain the water from their yard.
- j. Mayor Bebo discussed returning Deputy Clerk Kurth's pay back to her original pay, removing the \$3.00 training increase. The Council agreed that as of the next pay period, the Deputy Clerk wage will be returned to the non-training wage.

Old Business

1. Silver Edge Estates

- a. Development Agreement reviewed by City Attorney. He did not find anything that needs to be changed. He stated that the contract should cover the life of the project and that he is not aware of any amendments that the City or Mr. Broll are requesting. He suggested that Mr. Broll attend a council meeting to present the referenced plat of the property as well as a description of the phase requirements, so he can explain the next phase as well as the obligation of both parties.
 - i. The question was raised if involving another developer changes the agreement covering the life of the project.
 - ii. It was stated that Phase 3 cannot be started until Phase 2 is 80% complete. Phase 4 cannot be started if only a section of Phase 3 is completed.
 - iii. Mayor Bebo stated that an agreement needs to be made as to what percentage of the cost is to be paid by him as the developer and what is to be paid by the city.

2. Villager Apartments update – Mike Jaunich and Scott Quille (MNSPECT)

- a. Mike Jaunich questioned why the requirements have changed when many of the items on the list were present when the building inspection was done in March granting occupancy to six of the eight units.
- b. One of the issues that needs to be dealt with is the broken truss in the attic. An engineer is coming on Thursday, November 18th to look at it. When Mike receives the report, he will forward to the council.

- c. An electrician is scheduled to come on Friday, November 19, 2021, to complete the electrical work and have an electrical inspection completed.
- d. Mike stated he can complete all work within the 35 days except for the truss, insulation, and attic access. The items that are listed as “notes” do not need to be addressed within the 35 days, they are just indications of potential problems that should be looked into.
- e. It was discussed that Mike be given Monday, December 6th as the deadline to have all work completed and inspected except for the broken truss and the attic access. MNSPECT will review the code regarding the attic access to see if it needs to be moved into a common area rather than the closet of one of the units. All inspection reports must be received in City Hall by Monday, December 6th. It was discussed that Mike be given Friday, December 10th as the deadline for the truss repair. The six habitable units need to be completely finished. The two uninhabitable units (102 & 203) need to have all safety issues dealt with but do not need to be made habitable. The two units do need to be made secure, so no one has access to them.
- f. Currently there are renters in four of the six habitable units. One of the empty units is due to sewer work that needed to be done but that work is now complete.
- g. Occupancy permits for 2022-2023 will be issued in December. The question was asked if the Villager Apartments can be granted a six-month probation occupancy permit rather than a two-year permit to make sure the building is kept up to code.
- h. No work is to be completed in the building without the proper permit.
- i. At the December council meeting Mike is to present a plan with a timeframe as to when the work on the two uninhabitable units will be completed and what that work will consist of.

Motion by Winfrey second by Adams-Bruins that all items on the list except for those listed as “notes”, the truss repair, the attic access, and the attic insulation need to be completed in the six habitable units and the uninhabitable units (102 & 203) need to meet all safety requirements of the inspectors by Monday, December 6, 2021. The attic truss must be repaired by Friday, December 10, 2021. Vote for: Unanimous. Motion carried.

- 3. Main Street lot update
 - a. ReMax contract is the same agreement that was discussed earlier in the year. They will be contacted to go ahead and list the property.
- 4. 2022 Budget
 - a. Two budgets presented. One with a 2.50% wage increase with a 2% COLA increase which has a 3.21% levy increase and one with a 2.50% wage increase with a 3.50% COLA increase with a 3.90% levy increase. The 2.50% wage increase with the 3.50% COLA increase maintains the wage & benefit percentage in the budget.
 - b. Wage rates will be reviewed and to make sure steps are being increased.

New Business

- 1. Resolution 21-21: Resolution Authoring the Use of Credit Cards by Designated City Employees to Make Purchases on Behalf of the City of Silver Lake for 2022.

Motion by Winfrey second by Adams-Bruins to approve Resolution 21-21: Authorizing the Use of Credit Cards by Designated City Employees to Make Purchases on Behalf of the City of Silver Lake for 2022. Vote for: Unanimous. Motion carried.

- 2. Resolution 21-22: Resolution Approving Assessments for Delinquent Utility Accounts and Other Work Performed by the City as Directed by City Code.

Motion by Penaz second by Schneider to approve Resolution 21-22: Approving Assessments for Delinquent Utility Accounts and Other Work Performed by the City as Directed by City Code. Vote for: Unanimous. Motion carried.

3. Resolution 21-23: Resolution Adopting 2022 Fee Schedule

- a. Tabled until December for further review of water and sewer rate recommendations from SEH due to the need to reach a certain level for the city to qualify for the Rural Development grant for the infrastructure project.
- b. Added a security deposit fee for charity/non-profits.
- c. The question was raised by Councilor Schneider if for-profit organizations can use city buildings for their for-profit activities. This question will be researched.

4. 2022 Meeting Date

Motion by Penaz second by Winfrey to set the Annual Meeting Date for January 3, 2022, 6:30pm. Vote for: Unanimous. Motion carried.

5. *This portion of the meeting was closed pursuant to MN State Statute 13D.05 for attorney-client privilege to discuss an employee leave request.
 - a. Attorney was not present, and the employee did not attend, so the meeting was not closed and the issue was tabled until December.

Open Discussion - None

Motion by Winfrey second by Penaz to adjourn this regular meeting of the Silver Lake City Council. Vote for: Unanimous. Motion carried.

Meeting adjourned at 10:02 pm.

Diane Pedersen, Clerk/Treasurer

Seal of the City: