

Minutes
Silver Lake City Council
Regular Meeting
September 20, 2021

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

Members present: Mayor Bruce Bebo, Councilor Josh Winfrey, Councilor Chris Penaz, Councilor, Councilor Sandy Adams-Bruins

Members absent: Councilor Michelle Schneider

Staff present: Diane Pedersen, Karissa Kurth, Steve Hackbarth, Dale Kosek, Jerrod Weckman, Owen Klinker

Others present: Karin Ramige, John Rodeberg, Jeff Konen, Sheila Murphy, Cody Behrendt

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

Consent Agenda

1. Approve minutes from August 16, 2021 Regular Meeting
2. Approve minutes from August 17, 2021 Special Meeting
3. Approve Payroll 18, 19 and August Ambulance
4. Mosquito spraying is complete
5. Pull-tab shortage due to counting error with Pola-Czesky Days

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

Public Comment – No comment given.

Department Business

1. Public Works
 - a. People Service – Lee Ortloff – not present, will present at the October 4 Quarterly meeting.
 - b. Preliminary budgets submitted to clerk's office.
 - c. Pools drained; winterizing will be completed shortly. Waiting on quotes for stall heaters at east shop; sweeping has started; equipment and facility being prepped for winter.
 - d. Still waiting on Liquor Store quote from Schwickerts. Waiting for all quotes to come in so all buildings can be lumped together for a total package by one contractor rather than piecemealing the repairs for each building.
 - e. Estimate from local contractor to replace liquor store roof was between \$80-\$100K for all new tin. Will seek another estimate.
 - f. Public Works Supervisor Kosek sought a request for action to purchase a used twelve-foot Protech pushbox for loader from Giles Outdoors for \$4000. There is money in the equipment fund to cover the purchase. *Motion by Penaz second by Adams-Bruins to approve the purchase. Vote for: Unanimous. Motion carried.*

- g. Public Works Supervisor Kosek sought a request for action to purchase a new nine-foot two-inch Boss Power V DXT steel plow from Central Hydraulics for 08 F450 for \$8186.05 which includes the municipal discount. The old plow will be put up for sale and there is money in the equipment fund to cover the purchase. *Motion by Penaz second by Adams-Bruins to approve the purchase. Vote for: Unanimous. Motion carried.*
 - h. Councilor Winfrey sent pictures of what he believes are cracks in the new coping at the pool. Pictures will be forwarded to Council. Public works will check into this and take the necessary steps. Mayor Bebo questioned the total cost of the project, and it was stated that it came in as bid and there are no change orders. Water usage at the pool was cut in half this season due to repairs.
2. Public Safety
- a. Fire Department
 - i. Discussed calls for August. Have seen a rise in medical calls with covid positive patients. The Chief extends his utmost respect to our firefighters that are responding to these calls.
 - ii. Fundraisers: Molly B went well; Car Show on September 18.
 - iii. Officer position interviews to be conducted. Finalists to be presented to council approval to assume duties 1-1-2022.
 - iv. Updated gear for four new members and others needing gear.
 - v. Training drills have been intensified to make up for lost training during covid.
 - vi. On September 15, the fire department participated in MN FIRE 200-mile walk. They were featured on FOX Nine News. Doug Fote, a Firefighter from Chanhassen, walked for awareness and to raise funds for firefighter related cancer, cardiac, suicide and firefighter related health issues. Due to foot injuries, Mr. Fote was unable to walk from Silver Lake to Lester Prairie, so the SLFD will be setting a future date that they will complete that section of the walk to complete his pledge for him. It will be advertised, and the community will be welcome to join them.
 - b. Ambulance Department
 - i. Tracking Mutual Aid to Allina calls to make sure we can handle the extra volume of calls as we don't want to burn out our EMT's and we don't want to over staff our roster because other locations are short staffed. Chief Hackbarth has purchased additional med bags, so they have the necessary supplies to stabilize patients until transport arrives if not immediately available due to other calls.
 - ii. Three more EMT's are attending training at Crown College, 12-13 new people have been hired.
 - iii. Chief Hackbarth will continue to work with Expertise on being able to collect more. Due to their staffing changes, they have not been able to meet again.
 - iv. Chief Hackbarth sought a request for action to approve Angie Donwen as an EMT pending background check, drug test, completion of training at Crown College and passing the National Registry. *Motion by Adams-Bruins second by Winfrey to approve the hire. Vote for: Unanimous. Motion carried.*
 - v. Chief Hackbarth sought a request for action to approve Jon Heitz as an EMT pending background check, drug test, completion of training at Crown College

and passing the National Registry. *Motion by Adams-Bruins second by Winfrey to approve the hire. Vote for: Unanimous. Motion carried.*

- vi. Chief Hackbarth will meet with Township Boards to discuss funding.
- c. Police Services
 - i. Sheriff's Department has requested a meeting to discuss next year's services.
 - ii. Reviewed August event totals provided by McLeod County Sheriff's Office. Current agreement is for 50 billable hours per month, but the department has not been providing that number of hours each month. They are hoping to reach the agreed hours starting in September.
- 3. Municipal Liquor/Auditorium
 - a. New Manager, Owen Klinker, started on September 7, 2021.
 - b. Continue to work with new management on training.
 - c. Current Management is continuing to sort through inventory and doing physical counts to update inventory accuracy.
 - d. Working with management to update menus and add new options.
 - e. Sales for August were \$20,628.29 with a deficit of \$2,654.59. Year-to-date sales were \$210,317.50 with a profit of \$17,019.58.
 - f. Overhead is remaining consistent.
 - g. Due to being short staffed, there were days that the Liquor Store closed early. This happened on a day when a bus arrived and with last call at 4:30pm with a closing time at 5:00pm, they were turned away.
 - h. A Request for Action was presented to approve longevity pay of 1% for current bartenders that have reached the top of the wage scale effective January 1, 2022. Council tabled the discussion until after meeting with the MSL Manager to determine an appropriate increase.
 - i. Owen Klinker was welcomed.
 - j. A Request for Action to approve Justina Ferrell as a bartender at \$11.38/hour. *Motion by Penaz second by Adams-Bruins to approve hiring Justina Ferrell at \$11.38/hour. Vote for: Unanimous. Motion carried.*
- 4. Community Development
 - a. No new information regarding Main Street lots. Tabled discussion until more information is obtained from Council.
 - b. Chicken Coup has been purchased and plans are progressing.
 - c. Commissioner Kahn has done a lot of work regarding the campground. Waiting for further direction from Commissioner Winfrey.
 - d. House on 305 Grove is progressing nicely.
 - e. Discussion regarding Century Land and County Road 92 Annexation by David Broll tabled until annexation costs are obtained from Council. The Commission would like site plans.
 - f. Welcomed new Commissioner Amy Penaz.
 - g. Discussed tourism opportunities and possibility of covid money being available for tourism. Talk about covid funds is tabled due to budget discussions and other city needs.
 - h. Commissioner Kahn presented information regarding a MNTAP program available through the University of Minnesota.

- i. Councilor Winfrey took pictures of Parks & Pools equipment and park areas that need attention. Pictures will be forwarded to Council. These have been discussed with Public Works Supervisor Kosek.
- 5. Administration
 - a. August Treasurer's Report reviewed.

Old Business

- 1. Main Street Lots Update – Jeff Konen
 - a. Costs of building materials and construction costs came in over projections. Taxes on building design came in around \$31,400 per year. Mortgage, insurance costs, building construction costs due to commercial codes, and lack of interest from Postmaster to rent space makes the project prohibitive.
 - b. Requested refund of \$5000 deposit of earnest money as he feels he met the 60-day requirements of presenting plan designs within 60 days which were accepted and asking for another 60 days to cost out the project. Mayor Bebo explained that the initial agreement was \$5000 earnest money with an additional \$5000 due at six months and if at two years the building was up and being built the money would be fully returned. Discussion: Councilor Adams-Bruins stated that earnest money is for the buyer to show good faith in the process and believes that Mr. Konen has done that. Councilor Penaz understood that \$5000 would be paid every six months if someone agreed to build on the lots. Mr. Konen has found that the project is not doable for him and that he has shown good faith in the process. Mayor Bebo misunderstood that the second 60 days was an extension of the first part, he thought Mr. Konen was going to return with more details on the project. Councilor Winfrey felt Mr. Konen did what he said he would do for the most part but the city lost out on listing the property during this time. Mr. Konen felt that the desire to have three store fronts on the property was a major factor in the cost of the project. He believes that could be other possibilities for the property if that wasn't a factor. *Motion by Adams-Bruins to return the \$5000 earnest money to Mr. Konen second by Penaz. Vote for: Unanimous. Motion carried.*
 - c. Get property listed with a realtor; follow up on other agreements and offers the city has had on the property.
- 2. USDA Rural Development Project Update – John Rodeberg
 - a. Have been working with Rural Development on addressing private sewer services as well as the main line. Will present policies at Quarterly Council Meeting on October 4.
 - b. Getting close to final product on preliminary engineering report. There has been a policy change where more costs are covered for street reconstruction over the top of sewer, water main and storm sewer. The share of the project cost that Rural Development would give out in grants has increased but this has required a more detailed report by street and what effect that would have. Once the plans have been reviewed, finances will be discussed including how much grants will be and the timing of the projects. The design of the project was to begin in 2022 with construction beginning in 2023. The project was discussed as having a \$27M max. which is more than the city can afford. Bonding monies have been applied for for the coming year which would total half of the project up to \$15M. House and Senate are doing Bond Tours which should take place in the next few weeks, but they only give a couple of days' notice. Information will be prepared to give to them when they come.

New Business

1. American Rescue Plan Act Funding – Sheila Murphy, County Administrator
 - a. Funds have been applied for and the first half has been received. The city passed a Resolution to apply for the funds and to accept them, but there was not a dollar amount specified when it was passed. That way if more funds are received in excess of the \$105.81/capita based on the 2019 census of 814 population totaling \$86,129.34, the city can just deposit them.
 - b. Academic Development Director working on getting funding into local cities in the county to increase the tax base and help economic development where it is not currently present. There will be two meetings on October 6, 8:00am in Glencoe and 7:00pm at the Hutchinson Event Center, and everyone is welcome. Meetings are scheduled to last for 1 ½ hours.
 - c. Colleen Robec, McLeod County Finance Director, will help with reporting if needed. Her contact information is 320-864-1262.
 - d. Our first funds were received in July 2021, second set of funds will come approximately one year after that.
 - e. We have until December 31, 2024, to allocate the funds. Have until December 31, 2026, to pay for projects. If not completed by then, the money would have to be returned to the state.
 - f. Funds can be transferred to another municipality, non-profit, public benefit corporation, special purpose units of government if you don't have a local plan for the funds but you are responsible at that time to know that they will be used for an eligible expense.
 - g. The US Department of Treasury ruling applies to all cities, counties, and townships. LMC.org website has information under Responding to negative impact to the pandemic. (Click on League of MN Cities logo, Covid-19 and Cities: News and Resources – includes link to US Dept. of Treasury)
 - h. Ways to spend the money: Revenue Replacement (figure out how to do Lost Revenue Calculation and that portion can be put back into the general fund); respond directly to public health emergency; negative economic impact; can give aid to impacted industries; premium pay for essential workers; investments in water, sewer and broadband (remember to look for matching and in-kind funds as the county may have funds available or collaborate with other cities and townships); administration purposes-need to do a payroll calculation for time used to handle the funds; economic and workforce development.
 - i. Restrictions on fund uses; directly or indirectly offset tax reductions or delay a tax increase; deposit funds into a pension fund.
 - j. Discussion: Mayor Bebo stated that the money can be used to generate money such as completing a project that will attract new people/businesses to the city. Coronavirus Relief Fund Committee (CRF) meets weekly and reviews all of the information and makes recommendations to the county board. The focus of the dollars is return on investment (ROI).
2. Resolution 21-18: Resolution Approving Truth in Taxation Hearing. *Motion by Winfrey second by Penaz to pass Resolution 21-18. Vote for: Unanimous. Motion carried.*
3. Budget

- a. Preliminary proposal of 2% wage increases with a 6% comparison provided due to Social Security COLA prediction. City history of wage increases has consistently been 2-2.5% even when COLA was less than that.
- b. The Fire Department addition to the Pension has been a flow through figure, so the only increase to the budget will be the Silver Lake contribution to a proposed PERA increase.
- c. Public Safety – Police Services – proposed increase was based on history as a new contract has not been discussed with the Sheriff’s office yet. The first half of the year was about 50% under the budget as the Sheriff’s office had not been providing the agreed upon 50 hours per week.
- d. Fire Department increase in Repairs & Maintenance Bldg & Streets is for the replacement of the electrical panel in the fire hall. Capital Other Equipment increase is for new door openers.
- e. Increases in Ambulance budget are in Operating Supplies, Motor Fuels, and Training Fees. Discussion on Uncollectible Debts.
- f. Resolution 21-19: Resolution Adopting 2022 Preliminary City Budget and Preliminary Tax Levy for Taxes Collectible in 2022:
 - i. General Fund \$589,835
 - GO Bond Fund 2013A \$23,980
 - Total Preliminary Tax Levy \$613,815

Motion by Penaz second by Winfrey to pass Resolution 21-19. Vote for: Unanimous. Motion carried.

Open Discussion

1. Councilor Adams-Bruins suggested using American Rescue Plan Act (ARPA) funds to purchase a new generator for the Auditorium. Public Works Director Kosek corrected that it would be FEMA mitigation funds, not ARPA, that would be appropriated. FEMA will pay for levies, green space, etc., and we could look into a program where we change the Auditorium into an Operations Emergency Center (OEC) and have an emergency generator put in. We should also look into warning sirens on both the east and west ends of town. Kevin Matthews from FEMA will stop in the next couple of weeks to discuss the program. Councilor Winfrey noted that putting a generator in the Auditorium will lead to a greater expense due to the current wiring in the building. Mayor Bebo noted that when considering putting a generator in the Auditorium, we need to be careful as to what we actually want to be run by that generator. Councilor Winfrey reminded the council that this could lead to new wiring needed in the building.
2. Water Tower update – prepped, washed, mechanical sanding and grinding are done. The tower was supposed to be taken out of service on September 21 so painting could start, but due to a family emergency it has been delayed a few days. Originally it was suggested to not paint it silver, but after some research a good silver paint that will hold up has been purchased as well as the red paint needed. Mayor Bebo discussed if that was the color the council wanted to stay with or if the tower should be painted another color. It was decided that the silver would be used due to the tower being iconic. Radio antennas are not being removed and same lettering is being used.
3. Councilor Adams-Bruins brought up the discussion of the Edblom \$2000 water bill. A non-profit’s water bill that was elevated due to dripping water was reduced and a for-profit business

wanted to water sod to make their place more saleable and the council agreed to reduce their bill. Why did the council only offer a solution of payments to the citizen rather than a reduced bill? Council Winfrey pointed out that the reduction for the business was the sewer portion that they did not use. After discussion it was agreed that it was ultimately the homeowner's responsibility, and a precedence cannot be set taking that responsibility away from the homeowner.

4. Mayor Bebo brought up a discussion with Public Works Supervisor Kosek about the cleanliness of the water and when fire hydrants are normally flushed. It was stated that dead end lines should be flushed more often, not just spring and fall. People Services will address this at the next council meeting as they are the ones responsible for flushing hydrants. The question was asked if the fire department could alternate the hydrants used for their drills to flush the lines and serve a purpose to the city. It was stated that there are a lot of considerations to consider when deciding that.
5. Councilor Winfrey wanted to thank Karissa for all the hard work she did when positions were open. Welcomed the new City Clerk Treasurer and noted that the committee did a good job in hiring the MLS manager.

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 9:15pm.

Diane Pedersen, Clerk/Treasurer

Seal of the City: