

Minutes
Silver Lake City Council
Regular Meeting
January 22, 2019

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

Members present: Mayor Dorothy Butler, Councilors Josh Winfrey, Brenda Fogarty, Chris Penaz and Nolan Johnson

Others present: Jon Jerabek, Clerk/Treasurer; RJ Cripps, Police Chief; Jakob Kounkel, McLeod Publishing; Joe Yates, Rachel Yates, Bruce Bebo, Trisha Zajicek, Tammy Stifter, Barb Fiecke, Rhonda Chloupek, Jason Clouse, Gary Mallak, Tim Foss, Ray Bandas, Larry Warzecha, Mark Anderson, Eric Inselmann, Cory Behrendt, Bruce Heuer, Sandy Posusta, Joe Miska, Dawn Heuer, Kevin Chilson, Heather Mikolichek, Sean Askerud, Jim Wendolek, Dough Shamla, Judy Hall, Glen Zirbes, Pat Fogarty, and Mike Wendolek.

A motion was made by Councilor Johnson seconded by Councilor Fogarty to approve the agenda.

Vote for: Unanimous

Motion carried.

Consent Agenda:

1. Approve minutes from December 17, 2018 Regular Meeting.
2. Approve minutes from January 7, 2019 Annual Meeting.
3. Approve payroll #26, #1, and #2 and December Ambulance.
4. Claims to be paid:

\$28,361.91	(December EFT)
\$40,734.85	(12/7/18)
\$80,709.01	(1/4/19)
\$43,901.23	(1/18/19)

A motion was made by Councilor Fogarty seconded by Councilor Johnson to approve the Consent Agenda.

Vote for: Unanimous

Motion carried.

Public Comment: Comment was given by residents, property owners and City employees in favor of the current structure of the Police Department.

A donation of three \$150 checks was presented to the City by Ray Bandas of the Knight of Columbus for Winterfest, the Ambulance Department and the Fire Department.

Old Business:

1. Request to advertise for Full-Time Police Officer. The Council discussed maintaining the current Police Department personnel structure and requesting a bid from the McLeod County Sheriff's Office for performing the same duties as the current Police Department.

A motion was made by Councilor Fogarty seconded by Councilor Johnson to approve advertising for a Full-Time Police Officer.

Vote for: Unanimous

Motion carried.

A motion was made by Councilor Winfrey seconded by Councilor Penaz to direct Clerk Jerabek to obtain a bid from the McLeod County Sheriff's Office for covering patrol in the City of Silver Lake for 4,440 hours in a calendar year.

Vote for: Councilors Winfrey, Penaz, Johnson and Mayor Butler

Vote against: Councilor Fogarty.

Motion passed.

New Business:

1. Request for Christmas Tree Lighting Ceremony. Sandy Posusta presented an idea to have a tree lighting ceremony in the grandstand in the Silver Lake Veteran's Memorial Park and to decorate the area for Christmas.

A motion was made by Councilor Fogarty seconded by Councilor Winfrey to allow Sandy Posusta to move forward with the lighting ceremony and to come back to the Council prior to the event with a more detailed plan.

Vote for: Unanimous

Motion carried.

2. Request to address Council on sewer backup. Doug Shamla and Judy Hall presented a \$4782.43 claim for damages incurred after a sewer backup occurred at their property at 216 Summit Avenue on April 19, 2018. The claim to the City's insurance company had been denied. There was a blockage in the main that was jetted by the City of Hutchinson on the evening of April 19, 2018. After discussion on the subject, the Council requested Clerk Jerabek to gather more information from the City's insurance company and place the item on the agenda for February's regular meeting.
3. McLeod County Historical Partnership Project. There was no representative present to discuss the project.
4. Main Street Lots Proposal. Joe and Rachel Yates presented architectural drawings on the proposed retail and rental unit construction on the City's lots on Main Street. The Council requested a commitment from the Yates' lender to be provided at the February regular meeting.

A motion was made by Mayor Butler seconded by Councilor Penaz to take a five-minute recess.

Vote for: Unanimous

Motion carried; Meeting recessed at 8:51pm.

Mayor Butler called the meeting back to order at 8:57pm.

5. 2018 Audit Agreement. Clerk Jerabek presented an audit agreement with Conway, Deuth & Schmiesing, PLLP (CDS) not to exceed \$21,000. Clerk Jerabek informed the Council that the City has used CDS for several years and has had good experiences in previous audits. The fieldwork will be completed March 11-15 and a full report given no later than June 30, 2019.

A motion was made by Councilor Fogarty seconded by Councilor Winfrey to approve the agreement with CDS for the 2018 Audit not to exceed \$21,000.

Vote for: Unanimous

Motion carried.

6. Resolution 19-02 Pre-Authorizing payments by Clerk's warrant(s). An annual resolution authorizing the Clerk to pay certain claims prior to Council approval and to utilize Electronic Fund Transfers. The Council discussed increasing the limit for miscellaneous purchases from \$1,000 to \$2,000.
A motion was made by Councilor Fogarty seconded by Councilor Johnson to approve Resolution 19-02 with the increase for purchases from \$1,000 to \$2,000.
Vote for: Unanimous
Motion carried.
7. Resolution 19-03 Declaring City Council members as employees of the City. An annual resolution to classify City Council members as employees to be covered under Workers Compensation.
A motion was made by Councilor Fogarty seconded by Councilor Johnson to approve Resolution 19-03.
Vote for: Unanimous
Motion carried.
8. Resolution 19-04 Classifying fund balances for financial reporting purposes. An annual resolution classifying the various City fund balances as required by the Governmental Accounting Standards Board.
A motion was made by Councilor Johnson seconded by Councilor Penaz to approve Resolution 19-04.
Vote for: Unanimous
Motion carried.

Department Business:

1. Public Works – Councilor Winfrey and PWS Kosek reported the following:
 - a. The department is nearly complete with the move to the County building.
 - b. Quotes are being gathered for cleaning and televising sections of sanitary mains.
 - c. Updating OSHA required documentation with help from SafeAssure.
 - d. PWS Kosek reviewed PeopleService November 2018 report with no issues.
 - e. The Council advised PWS Kosek to look at illegal dumping at County building and to continue documenting information and knowledge held by Public Works staff.
2. Public Safety – Councilor Fogarty and Chief Cripps reported the following:
 - a. Mock crash with SLFD and Ambulance department
 - b. Officer involved in pursuit on 1/14/19 with driver being taken into custody and vehicle being confiscated.
 - c. Arrest report and activity report given.
 - d. Council discussed options for placement of forfeiture vehicles.
 - e. Council discussed the eviction notice from 104 Grove Ave S presented by Josh Kable at the Annual Meeting.
 - f. Council reviewed request from Harvey Mikolichek for the City to pay \$800 toward invoices totaling \$1,136 from Mikolichek Plumbing and Heating for moving one heater and disconnecting another heater. The heater was moved for the Police Department remodel project and the other was disconnected because it was causing the air conditioning to run during the winter.

A motion was made by Councilor Winfrey seconded by Councilor Johnson to table a vote on the item until further explanation on the work was obtained.

Vote for: Mayor Butler, Councilors Johnson, Penaz, Winfrey

Vote against: Councilor Fogarty

Motion carried.

3. Municipal Liquor Store (MLS) – Councilor Penaz and Clerk Jerabek reported the following:

a. Personnel Committee met and reviewed personnel issues at the MLS.

b. Request to approve annual review for part-time bartender Sarah Kahn.

A motion was made by Councilor Johnson seconded by Councilor Winfrey to approve the annual review for Sarah Kahn and to retain with wage increase from \$10.83 to \$11.40.

Vote for: Unanimous

Motion carried.

c. Request to accept resignation of MLS Manager Ardolf-Mason with her last day being January 28, 2019.

A motion was made by Councilor Winfrey seconded by Councilor Fogarty to accept the resignation of MLS Manager Ardolf-Mason.

Vote for: Unanimous

Motion carried.

d. Request to advertise for open MLS Manager position, set deadline for accepting applications and select interview committee.

A motion was made by Councilor Fogarty seconded by Councilor Penaz to approve advertising for MLS Manager position, accepting applications until February 12, 2019 and selecting the Personnel Committee as the interview committee with assistance from Paul Kaspszak from the Minnesota Municipal Beverage Association.

Vote for: Unanimous

Motion carried.

e. Personnel Committee met with Lead Bartender Darrell Kaczmarek and recommended to appoint Kaczmarek as the Interim Manager until a new manager is hired. Clerk Jerabek would assist Kaczmarek during the interim.

A motion was made by Councilor Fogarty seconded by Councilor Winfrey to approve appointing Lead Bartender Darrell Kaczmarek as Interim MLS Manager until a new Manager is hired and to approve increasing Kaczmarek's hourly wage from \$15.08 to \$18.08 until the new manager is hired.

Vote for: Unanimous

Motion carried.

A motion was made by Councilor Penaz seconded by Councilor Johnson to approve increasing Clerk Jerabek's salaried wage from \$23.73 to \$26.73 until the February regular meeting when it would be reviewed again.

Vote for: Unanimous

Motion carried.

4. Community Development – Councilor Johnson and Clerk Jerabek reported the following:

a. Planning Commission met on January 8, 2019. Discussed Main Street lots and the Yates' presentation at January 7, 2019 Council meeting.

- b. Clerk Jerabek and Mayor Butler met with Short Elliot Hendrickson engineering firm to discuss needs of the City and to outline funding options for projects.
- 5. Administration – Clerk Jerabek reported the following:
 - a. December Treasurer’s report was reviewed.
 - b. Request to approve 2019 COLA Wage adjustments report as requesting by City’s auditors.
A motion was made by Councilor Fogarty seconded by Councilor Penaz to approve the 2019 COLA Wage Adjustments report for current employees.
Vote for: Unanimous
Motion carried.
 - c. City office staff working on finalizing 2018 entries and gathering materials for 2018 audit.
 - d. Clerk Jerabek is working to develop a Computer Use Policy, Social Media Policy, Credit Card Use Policy and EFT Policy.

Open Discussion:

- 1. Councilor Fogarty discussed Liaison roles with each department.
- 2. Council Fogarty informed the Council that Amber Donley with the City’s attorney office, Gavin, Donley & Ostlund, will be leaving the firm.

A motion was made by Councilor Fogarty seconded by Councilor Johnson to adjourn this regular meeting of the Silver Lake City Council.

Vote for: Unanimous

Motion carried; meeting adjourned at 10:31PM.

Jon Jerabek, Clerk/Treasurer

Seal of the City:

CITY COUNCIL

CITY OF SILVER LAKE

**RESOLUTION 19-02: A RESOLUTION PRE-AUTHORIZING PAYMENTS BY
CLERK'S WARRANT(S)**

BE IT RESOLVED, that the City Clerk/Treasurer is hereby authorized to issue warrant(s), drawn on the proper fund, for the following expenditures:

All utilities, (water, sewer, electrical, natural gas, telephone, etc.), postage, payroll activity, annual lease payments, monthly insurance premiums, liquor store inventory supplies, purchases under two thousand dollars, and other contractual payments under which a contract was previously approved by the City Council.

Said claims to be paid upon proper presentation of claim.

BE IT FURTHER RESOLVED, that the City Clerk/Treasurer, is hereby authorized to utilize Electronic Funds Transfer directly from the City account at First Community Bank in the payment of the above-mentioned claims provided that all such claims be presented to the Council for its review at its next regularly scheduled meeting.

Adopted by the City Council this 22nd day of January 2019.

Dorothy Butler, Mayor

Seal of the City:

Jon Jerabek, Clerk/Treasurer

CITY COUNCIL
CITY OF SILVER LAKE

**RESOLUTION 19-03: A RESOLUTION DECLARING CITY COUNCIL MEMBERS AS
EMPLOYEES OF THE CITY**

WHEREAS, Chapter 3, Section 7, Subd 1, of the Silver Lake City Code states that all elected officials shall receive a salary, a term that implies employment, and

WHEREAS, City Council Members in the performance of their duties, are exposed to minimal risk that could cause injury, and

WHEREAS, the City Council of the City of Silver Lake has determined that Workers Compensation benefits, as provided to Council Members, not only protects the Council Members in the performance of their duties for the benefit of the City but also protects the City's funds should a serious accident occur to a Council Member, and

WHEREAS, the offering of Workers Compensation from the League of Minnesota Cities Insurance Trust is of a low cost such that the cost of protection is insignificant to any reasonable City operations,

THEREFORE BE IT RESOLVED, that the City Council of the City of Silver Lake hereby declares a City Council Member an employee of the City eligible for benefits such as Workers Compensation.

Adopted by the City Council this 22nd day of January 2019.

Dorothy Butler, Mayor

Seal of the City:

Jon Jerabek, Clerk/Treasurer

CITY COUNCIL
CITY OF SILVER LAKE

RESOLUTION 19-04: A RESOLUTION CLASSIFYING FUND BALANCES FOR FINANCIAL REPORTING PURPOSES.

WHEREAS, the City of Silver Lake previously specified ending fund balances for the various City budgets as reserved, designated or unreserved; and

WHEREAS, the Governmental Accounting Standards Board (GASB) issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions in February, 2009, which requires City Councils to make certain decisions regarding the use of resources and classifications of ending fund balance in order for the annual financial reports and audits to be in compliance with generally accepted accounting principles; and

WHEREAS, in accordance with the City’s General Fund Balance Policy the Council shall annually classify fund balances for the purpose of Financial Reporting into the following: Restricted, Committed, Assigned, and Unassigned.

NOW THEREFORE BE IT RESOLVED, by the Silver Lake City Council that the following classifications be applied to the corresponding funds for the 2019 Financial Reporting period:

<u>Fund</u>	<u>Classification</u>
101-General Fund	Unassigned
204-Ambulance Fund	Committed
205-Fire Fund	Committed
305-2007A Bond Fund	Restricted
315-Silver Edge Bond	Restricted
317-2013A GO Improvement	Restricted
404-PW Equip Fund	Assigned
405-Parks & Pool Fund	Assigned
407-Police Squad Fund	Assigned
408-Ambulance Unit Fund	Assigned
411-PW Streets Fund	Assigned
414-Forefeiture Fund	Assigned
416-Aud. Repair Fund	Assigned
417-Grove Ave Reconstruction	Assigned
418-Main Street Fund	Assigned
801-Fire Equip Fund	Committed
803-EDA Fund	Committed
804-Ambulance Equip Fund	Committed

NOW THEREFORE BE IT FURTHER RESOLVED THAT, the City Clerk/Treasurer is to review the above Fund Balances at year end and if any fund balance is found to be in a deficit that fund balance is to be classified as: Unassigned.

Adopted this 22nd day of January 2019.

Dorothy Butler, Mayor

Seal of the City:

Jon Jerabek, Clerk/Treasurer