

Minutes of the regular Proctor City Council meeting held Monday, June 4, 2018 in the Community Center Council Chambers.

Mayor Larson called the meeting to order at 6:00 pm.

MEMBERS PRESENT: Councilors Troy DeWall, Gary Nowak, Jim Schwarzbauer, Gary Nowak, Jake Benson and Mayor Phil Larson.

OTHERS PRESENT: Administrator Mark Casey; City Attorney John Bray; Chief Gaidis; Jennifer Smith, WIPFLI; Kathy Resberg, Irving Community Club Jim Aird, Midway Township; Kathy Hannan; Travis White; Jarad White; Chad Ward; Kerry Helquist; Dick Kari; Jason & Tammy Lofdahl; Courtney Pierce; Andy Paczak; and Linnea Wiita. .

APPROVAL OF THE MINUTES:

Motion by Schwarzbauer, seconded by DeWall and carried (5-0): To approve the May 21, 2018 City Council Meeting Minutes.

APPROVAL OF THE AGENDA:

Motion by Benson, seconded by DeWall and carried (5-0): To approve the agenda for June 4, 2018, with the following additions: 6.H. Police Officer Hiring, and under Member Concerns/Benson/Intergovernmental and Intragovernmental Relations – St. Louis County.

COMMENTS AND SUGGESTIONS FROM CITIZENS PRESENT:

Tammy Lofdahl (Proctor Speedway) thanked the City for the previous donation of the recycled blacktop at the Speedway – said it was much appreciated and they would be happy to receive any additional donations of the recycled bituminous if and when it becomes available.

Kathy Resberg (Irving Community Club) reported there will be a one day event - Coach Purse Bingo – to be held July 14th at the Fair. As a result, she requested a Resolution of Non-objection for the gambling event July 14th for the state permit application. No action required.

Resberg also reported that due to changes in how their organization can contribute money back into the community, they will only be able to fund the children's games and the Wildlife Connection this year, and that the rest will have to go through the Lions Club.

~~Motion by Benson, second by DeWall and carried (5-0): To suspend the regular meeting agenda to go to Item 6.A. Annual Financial Report at 6:10 pm.~~

***APPROVAL OF THE CONSENT AGENDA** (one Council motion can accept all items listed under this agenda, plus Council can pull any individual items out of this consent agenda and discuss/act on item separately – thus leaving others to be approved via consent agenda action) – bold print denotes need for Council action.

Motion by Nowak, seconded by Larson and carried (5-0): To approve the Consent Agenda, pulling the following item: 4.A. Pulling Planning & Zoning Minutes to New Business 6.1.

***1. COMMUNICATIONS**

- A. League of Minnesota Cities Letter Regarding Annual Dues
- B. Arbor Day Foundation Letter to Congratulate Proctor On Earning Recognition as a 2017 Tree City USA
- C. Thank You letter from Superior Police Department
- D. Calcium Chloride Dust Control 2018 Contract

2. PLANNING AND ZONING DEPARTMENT MATTER

***3. CLERK ADVISES COUNCIL**

- A. Government and Liquor Fund Payroll Period Ended 05/27/2018

***4. COMMITTEE REPORTS**

- A. Planning and Zoning Meeting Minutes of May 29, 2018
- B. Proctor Police Civil Service Commission Meeting Minutes

***5. UNFINISHED BUSINESS**

- *A. SRO
- B. Ordinance No. 02-18, Ordinance Amending Section 200 of the City Code Entitled “Council and Administration” (*Remove from table*)

Motion by Larson, seconded by DeWall and carried (5-0): To remove this item previously tabled for discussion purposes.

Discussion that after the First Reading of Ordinance No. 02-18, it was tabled to this meeting. Discussion last meeting to consider additional advisory members be added to the ordinance.

Motion by **Schwarzbauer**, second by [REDACTED] and carried (5-0): To comprise the Liquor Control Board of two council voting members and the Police Chief, plus the Liquor Store Manager and one other at large member as non-voting Advisory Members.

Discussion that the same application process that is used for other committees and commissions would be used for the Advisory member, and that some knowledge or expertise would be expected.

Attorney Bray advised that a new First Reading to the revised Ordinance would be required.

6. NEW BUSINESS

A. Annual Financial Report for the Year Ended December 31, 2017, Together With Independent Auditor's Report

Jennifer Smith, WIPFLI, presented a summary of the Report. She explained some of the requirements of the State Auditor's Office. The report expresses the opinion of the City's Financial Statement, with which they assist, and that it is true and correct, and an accurate representation of 2017.

Legal Compliance Findings:

1. The City did not adopt a budget in 2017.
2. The City missed the Feb. 1 deadline for reporting the City's outstanding obligations as of Dec 31 to the State Auditor.
3. The City did not pay all bills within the standard payment period (45 days).
4. The City did not provide Broker Certifications before investment transactions were made.
5. The 2016 pay2017 levy did not produce at least 5% in excess of the principal and interest payments that were due during the year.
6. The 2018 levy is set higher, but they do not offset each other. Property tax money captured within debt service funds remain there (and are unavailable to the City) until that debt is paid off.

Internal Controls:

1. Many credit card purchases lacked adequate support (receipts).

In the General Fund, Income exceeded Expenses by \$12,441

Smith answered questions and pointed out balances and items she thought would be of most interest to the Councilors.

There will also be a PUC Financial Report at the next PUC meeting, as PUC is separate entity.

Smith also expressed appreciation for Loren Peterson and all his assistance with the audit – she said he will be missed.

Motion by Nowak, second by DeWall and carried (5-0): To accept the Annual Financial Report for the Year Ended December 31, 2017.

B. Resolution 20-18 – Exhibit E for Grant Agreement To State Transportation Fund (Local Road Improvement Program) Grant Terms And Conditions SAP 069-596-011

Follow-up the application for the Local Road Improvement Program, which was rejected because it needs to include the correct, full heading on every page, as well as the County Agreement.

Discussion: Benson noted that storm sewers and sanitary sewers were listed separate from lighting and sidewalks. Also trees are not a part of the project at this point.

Administrator Casey advised that trees are still under consideration, and that they will be on the residential property and not in the right of way. Also that the Trees and Beautification Committee will be a part of that planning process.

Schwarzbauer stated that he will approve this to get the project started, but definitely wants Trees & Beautification Committee consulted.

Attorney Bray advised that there was no conflict of interest for Councilor Schwarzbauer to vote on this matter.

Motion by Nowak, second by Larson and carried (5-0): To approve Resolution 20-18 – Exhibit E for Grant Agreement To State Transportation Fund (Local Road Improvement Program) Grant Terms And Conditions SAP 069-596-011.

C. Resolution 21-18 Authorization To Accept Donations

Motion by DeWall, second by Nowak and carried (5-0): To approve Resolution 20-18 Authorization To Accept Donations, to authorize the City Street Department Foreman, or his designee, to accept donations, such as the recycled bituminous.

D. Fireworks Donations

Discussion of Auditor's recommendations if Council were to accept donations:

Open a separate bank account, each donation to be recorded and receipted.

Mayor Larson concerned that we may be opening floodgates for other fundraisers, and also for staff time requirements to accomplish this.

Schwarzbauer said he would step forward and work with Sally, Mark and the bank to make this happen, also to publicize and assist in any way possible.

Decided not to use Utility bill fliers to avoid confusion.

Consensus to have the bank take the lead and have all donation go directly to the bank. No Council action required.

E. Personnel Committee

Motion by Schwarzbauer, second by Benson (for discussion) and failed (2 Aye (Schwarzbauer & Benson), 1 Nay (Nowak), 2 Abstaining (DeWall & Larson): To comprise the Personnel Committee with Schwarzbauer (original member), Guiliani (Police Civil Service member), and DeWall for this pending situation.

Discussion that previous Council action put Councilor DeWall on the Personnel Committee in place of Mayor Larson for the currently pending complaint before the Committee. Larson stated that since he has returned, he should resume the position. Attorney Bray advised that the Investigator Attorney recommended staying with the three original persons serving on the Committee until the item before them is resolved, then return to the original members.

Motion by Larson, second by Nowak and carried (4-0, DeWall Abstaining): Mayor Larson to relinquish his position on the Personnel Committee, thus leaving DeWall in that position until resolution of the current situation.

F. Proctor Golf Course Mower Quotes

1. TurfWerks Equipment Quote
2. MTI Distributing Equipment Proposal

Motion by Larson, second by Schwarzbauer and carried (5-0): To accept the bid from MTI Distributing for \$56,594.80.

Discussion that the golf course has a unique situation with a person having set up a Trust Fund for the course. The City acts as the flow-through for the trust fund money, therefore quotes and bids are necessary. Recommendation to purchase the new equipment from MTI.

G. Closed Meetings

Tabled to next meeting.

H. Police Officer Hiring

A member of the Police Department resigned, so the Police Civil Service Commission met. Recommendation of the Commission is to post the Police Officer position and begin the hiring process.

Motion by Schwarzbauer, second by Nowak and carried (5-0): To approve the posting to hire 1 full time equivalent Police Officer.

Discussion: DeWall agrees the City needs another police officer, but believes the City needs to tread carefully to make sure it is affordable. If a lateral officer is to be considered, he requests a presentation to Council to demonstrate affordability.

I. Planning and Zoning Minutes of May 29, 2018

Discussion of need to address ongoing blight property in the City. Mayor Larson passed around photos of some of the properties – buildings badly in need of repair, temporary repairs that have existed too long, unfinished projects, neglected trees in the boulevards, pigeons getting into eaves and rafters, The Mayor would like some of these matters abated by the City.

Bray advised that a Court Order is need to raze buildings. In the past grant money was located for some removal.

Schwarzbauer advised that the schools cannot provide labor due to hazards such as asbestos, lead, etc.

Mayor Larson recommends the Police Department watch for nuisance properties and report such to Council, rather than an annual drive around town.

No Council action required.

7. LABOR AND NEGOTIATIONS – Per MN Statutes 13D Closed Meeting

none

MEMBERS CONCERNS:

Schwarzbauer:

1. BMX in Proctor

Schwarzbauer pointed out that there are no BMX facilities in the Twin Ports and that he feels the Fairgrounds is an ideal location. He would like to explore the possibility.

Nowak and Larson agreed that there isn't enough for youth in the area. Larson recommended working on one project at a time, and finishing the Playground for EveryBODY first. Schwarzbauer disagreed, stating he thinks there is room for multiple projects and would like to create a team to explore the BMX project.

He also stated that he has been approached by some Duluth property owners interested in a regional sports center. Also exploring the idea of trying to bring REI here.

Benson:

1. Intergovernmental and Intragovernmental Relations

– Proctor Public Schools

Benson reported there was discussion at the School Board meeting of the SRO position, but that they are still waiting to see how much they receive from the state Safe Schools funds. Also that they may use the funds to extend the Dean of Students position.

– MIC

Benson reported there was discussion of the Boundary Avenue Management Study at the MIC meeting.

– City of Duluth

Benson reported the City of Duluth had no interest on the Boundary Avenue Management Study.

- St. Louis County

Benson said the County is planning a \$13 million remake of the north and south lanes of I35 in the area of Highway 2, which will result in traffic diversions in 2020. He suggested the re-routing might benefit other businesses.

Also that the roundabout being built at Midway Rd. and Maple Grove Rd. intersection begins June 11th and semis will be rerouted down Highway 2 and 33. Possible public safety concerns?

Nowak:

Nowak commented on the allegations that had been made against him in February, and that he had received a copy of the letter from the Lake County Attorney (where the complaint was referred due to local conflict of interest issues) that he will not be charged with any crime, and cited reasons for the decision as cited in the letter.

He expressed upset for the articles that appeared in the newspapers while the decision was pending for three months.

DeWall:

Reminder that Emergency Services need to be notified regularly of road closures, etc, during all of the summer's pending construction projects.

Mayor Larson and Administrator Casey:

Larson & Casey attended a pre-construction meeting last week.

The 6th Street construction project begins 6-11-18, and will be moving east to west.

Almac Drive project begins shortly thereafter. Since there are no alleys in those areas, Ulland will try to provide access for homeowners, and try to allow flexible access in the

morning and dinner hours. The planned work day will be 7 am – 7 pm. Contractor will also regularly post updates on the website and social media.

BILLS FOR APPROVAL

General Bills:	\$106,392.39	
Liquor Bills:	<u>28,473.26</u>	
Total	\$134,865.65	\$

\$ 134,865.65 TOTAL BILLS FOR APPROVAL

Motion by Schwarzbauer, seconded by DeWall and carried (4-1 (Benson-Nay)): To approve the bills for payment as listed.

ADJOURNMENT

Motion by Larson, seconded by Nowak and carried (5-0): To adjourn the City Council meeting at 8:20 pm.