

MINUTES OF THE PROCTOR CITY COUNCIL MEETING for June 7, 2021

*Due to COVID-19: Meeting access by the public was available through the live stream on the Trac 7 YouTube channel. Up to fifteen members of the public are allowed to attend, accommodating for social distancing. Ted Kiefat served as the meeting coordinator.

Mayor Ward called the meeting to order at 6:01 p.m.

MEMBERS PRESENT: Jake Benson, Rory Johnson, Chad Ward, Troy DeWall, Jim Rohweder

OTHERS PRESENT: City Attorney John Bray, Ted Kiefat, Chief Kent Gaidis, Megan Jordan, City Administrator Jess Rich, Eric Bingaman, Nicole Swanson, Sally Hedtke

Motion by Rohweder, seconded by Johnson and carried 5-0 to approve the City Council minutes from Monday, May 17, 2021.

Motion by DeWall, seconded by Rohweder and carried 5-0 to approve the agenda for Monday, June 7, 2021, with the additions of the Pit Stop and the Powerhouse to item 6E: Liquor Licenses.

COMMENTS AND SUGGESTIONS FROM CITIZENS PRESENT:

Meeting was delivered via livestream on Trac 7 due to the COVID-19 pandemic. The link to access the meeting was provided to the public prior to the meeting via a posted meeting notice, the City's website, the City's Facebook page, and the direct line of 218-628-6289 provided for call-in comments.

NONE

Motion by Rohweder, seconded by Ward and carried 5-0 to approve the consent agenda for Monday, May 17, 2021, with items *1A and *4C pulled for discussion.

Mayor Ward notes item *4A with a date correction – the agenda noting the PUC meeting was held 4/7/2021 when the date should have read 4/12/2021.

*1A: LRIP Grant Award Receipt Notification

*4C: SEH Minutes 05/26/2021

*1A: Councilor Benson requests the Committee/Commission Appointment Application to be added back on to the consent agenda for the next meeting. Benson also states with the receipt of the LRIP grant award on 2nd street, asks for the next steps with the project. Administrator Rich states the process will be followed based on the user guide provided by the state included in the meeting packet. Plans, specs, and estimates will be drafted for formal submission. Designs of 2nd street will go by the MIC-TAC Council's recommendations, public hearing and public input processes. The project will be a large undertaking, and collaboration will begin with St. Louis County to formulate plans, specs, and estimates for formal submissions. Mayor Ward extends gratitude and congratulations to administration, steering committees, MIC-TAC Council, and all who worked on this grant application. The groundwork submitted for the grant application played an important role in the receipt of the amount awarded. Councilor Johnson states after talking with Matt Bolf, of SEH with the amount of applications put in for grants increasing around the region, we are fortunate to have members and staff dedicated to the amount of groundwork going into a large application project such as this one. Administrator Rich states the timing of a variety of

different projects, studies, and plans contributed to the success for the City of Proctor. These entities including the MIC study, the planning process, the CIP process, and the planning from those at the school; naming 2nd street as a high priority for their safe routes to school.

*4C: SEH Minutes 05/26/2021

Councilor Benson asks about the project expansion and project at the fairgrounds regarding permitting. Benson asks if there is a state statute exempting the fair board from permitting. Administrator Rich provides a brief explanation regarding permitting as it pertains specifically for stormwater projects. Benson also asks if easement agreements with MN Power are in process pertaining to the sand/salt shed with Administrator Rich confirming the process has begun for easement agreements. Benson also asks about the existing street department property and asks when discussions will begin about the property. Administrator Rich states the sand/salt shed is currently in phase 1, with the street department to remain at the current location for quite a while. Councilor Rohweder suggests involving the Parks & Recreation Committee in the planning process and obtaining a recommendation from that committee.

6. NEW BUSINESS

A. AA Hospitality Agreement Follow Up

Attorney Bray delivers a brief update stating receipts have been received from AA Hospitality, but no response on the termination of the agreement has been delivered to the city. The letter sent by the city terminated the purchase agreement, it has been well over thirty days since the letter was delivered. Attorney Bray states a minimal risk, due to the agreement not being specifically clear with the termination of the agreement. Since the hotel has been sold, Attorney Bray suggests assuming the risk as the requirement of returning the \$20,000 is minimal. Mayor Ward asks Administrator Rich if action on this item is preferred with Rich suggesting discussion to be taken. There has been previous direction where the money should be spent, Councilor DeWall suggests letting the deposit of \$20,000 to be held for an additional thirty days with a discussion to follow in the event of no further responses from AA Hospitality.

Motion by DeWall, seconded by Rohweder and carried 5-0 to continue to hold the deposit of \$20,000 from AA Hospitality and determine spending decisions after an additional thirty (30) days. It is discussed and determined the road is now owned and maintained by the city as there is no agreement for road maintenance by the hotel.

B. Review of Resolution 14-15

Councilor DeWall requests discussion on the resolution 14-15 previously passed and defines the Tourism Committee as a fact-finding body that makes recommendations to council. DeWall states spending approvals or denials have not previously been submitted to council and suggests the Tourism Committee should make recommendations in the same or similar manner as other committees. DeWall states for transparency reasons, the process of following resolution 14-5 should be implemented and acted upon.

Motion by DeWall, seconded by Rohweder and carried 5-0 to recommend enacting of resolution 14-15 and submit recommendations to council for spending and expenses in the same or similar manner as other committees.

Councilor Benson provides a brief history on the practices and processes the Tourism Committee has completed over the years. Benson states there has been some complications within the committee and the way it has evolved over time. Benson continues with history and the funding and standard practices of the time. Benson agrees the acknowledgement of the changes with processes and the reasoning of smaller expenses not being previously submitted to council. Mayor Ward clarifies with processes not changing within the tourism committee, just simplifying the process, and providing due diligence.

Sally Hedtke extends gratitude to Councilor DeWall for clarifying the issue with the process for recommendations to council. Hedtke confirms that all funding decisions using unallocated funds are submitted to council for final approval. Hedtke states the funding decision with the application in question was not submitted for council approval because grant funding is an allocated expense included in the Tourism budget that was approved by Council. The committee met and the entity submitting the application needed an answer due to time constraints.

Councilor DeWall has read through the Tourism Committee operating fundamentals as included in the council packet. He specifically has concerns with item F under membership rules: "The committee shall have the power to adopt such rules of membership, procedure and by-laws, and are responsible for replacing members as it shall deem proper and necessary to carry out the Committee mission and responsibilities." DeWall questions this as contradicting the Committee/Commission Application packet that has been in process of adopting. DeWall states this has been in the process of adopting as the city currently does not have a clear process for new members with the desire to serve on committees or commissions within the city of the whole. DeWall believes it is the council's obligation to set parameters for membership following the recommendations submitted by committees with new or returning members. Hedtke provides further clarification into Tourism membership specifics, stating the membership is made up of industry experts within specific designations. The committee membership was set by previous council and staff to include tourism organizations. She explains the committee operating fundamentals were also created many years ago. She states the committee has representatives from hotels, food and beverage, and other organizations that have quick turnover in leadership. The operating fundamentals address that by allowing the organization to replace a committee member with the successor. If there is no replacement, or there is a change in the representing organization, the committee has followed the city policy by submitting an application for council approval. She clarifies the intent of the tourism membership rules are not to bypass council, but to have a smooth transition so the committee is able to provide uninterrupted marketing. Mayor ward offers a suggestion including those specific membership appointments to the Tourism Committee to be included in the Committee/Commission Application packet and process for new and existing members. Further discussion concludes the annual designations for members and the entities appointing members recommend changes in membership throughout the year. Hedtke concludes with the importance and generosity of the Tourism Committee giving over \$374,000 for

small events in the community since 2012, citing organizations efforts and the process for considering funding to various organizations in Proctor.

C. Seasonal Employee Memorandum of Understanding

Administrator Rich received information from our Street Department Forman indicating the seasonal employee wages were not reviewed and increased along with contract negotiations. The MOU submitted indicates a 2% wage increase effective 6/1/2021 and a 2% increase effective 5/1/2022.

Motion by Johnson, seconded by DeWall and carried 5-0 to approve the recommendation from the negotiating committee as submitted.

D. Emergency Declaration/COVID-19 Preparedness Reopening Plan

Mayor Ward requested a discussion regarding the emergency declaration as the City of Proctor has been operating under the initial declaration as of March 26, 2020. Mayor asks council's desire in keeping the emergency declaration in place or dropping the declaration as St. Louis County has done. Councilor DeWall adds the emergency declaration was put in place along with the state to secure any funding opportunities. The City of Proctor has received funds, and it is determined future funding opportunities are not based on emergency declarations. DeWall continues with other reasonings for the emergency declarations. Mayor Ward addresses the flexibility with holding remote meetings in the event on increased cases of COVID-19. Attorney Bray provides counsel regarding leaving the emergency declaration in place to allow for accommodations as necessary to accommodate for COVID-19 operations.

Motion by Ward, seconded by DeWall to keep the emergency declaration intact for the City of Proctor. DeWall adds a motion to keep emergency declaration in place is not needed, with Attorney Bray confirming a new motion/second is not necessary.

Motion by Ward rescinded along with second rescinded by Councilor DeWall.

Covid-19 Preparedness Reopening Plan

Councilor Rohweder suggests following the recommendations of the CDC and operate in the same manner as other entities within St. Louis County. Mayor Ward agrees with the removal of plexiglass barriers in council chambers, and slowly moving desks/tables closer together. Further discussion determines plexiglass will remain both at City Hall and the Liquor Store for the protection of the employees. Mask mandate within City Hall is discussed in detail, and it is determined masks are required for individuals that have not been vaccinated.

Motion by Ward, seconded by Rohweder and carried 5-0 to amend COVID-19 protocols at City Hall, removing plexiglass barriers in council chambers with masks no longer required for vaccinated individuals.

Food shelf operations are also discussed with Councilor Rohweder weighing in on the comfort level of the volunteers who are working on a weekly basis. Rohweder states having customers come into the building to do their shopping is working well and would like to continue those operations.

Discussion further entails including meeting capacity and broadcasting status. It is decided to keep meeting capacity limits in place at fifteen (15) members of the public and adjusting broadcasting needs as those arise or if more than fifteen (15) people want to attend the meeting. City Council meetings will remain broadcasted live on Trac 7, with discussions about broadcasting other committee meetings to be determined as a recommendation to council.

E. Liquor Licenses

Motion by Johnson, seconded by Rohweder and carried 5-0 to approve the recommendation from the Liquor Control Committee and approve the 2021 liquor license for Lakehead Racing Association contingent upon receipt of Workman's compensation policy renewal and all real estate taxes from 2018 to be paid in full prior to December 31, 2021.

Motion by Rohweder, seconded by Johnson and carried 5-0 to approve the recommendation from the Liquor Control Committee and approve the 2021 liquor license for the Proctor Golf Course.

Motion by Ward, seconded by Johnson and carried 5-0 to approve the recommendation from the Liquor Control Committee and approve the liquor license for the remainder of 2021 for the Powerhouse Bar.

Motion by Ward, seconded by DeWall and carried 5-0 to approve the recommendation from the Liquor Control Committee and approve the liquor license for the remainder of 2021 for the Pit Stop Bar contingent upon all utility and loan balances reflecting a current balance prior to June 30, 2021.

F. Police Civil Service Hiring Recommendations

Motion by DeWall, seconded by Rohweder and carried 5-0 to approve the hiring recommendations as submitted approving Quentin Homstad as an unpaid intern and John Gruna as a Proctor Police Officer.

Councilor DeWall asks Chief Gaidis if a liability waiver is signed prior to completing a ride along. Chief Gaidis confirms a waiver is signed and received prior to a ride along. Chief Gaidis states the department is still one officer short and currently hiring for that position.

G. Resolution 20-21 Accepting a Donation to the City

Motion by Benson, seconded by Rohweder and carried 5-0 to approve resolution 20-21 accepting a donation to the city.

H. Resolution 21-21 Performance Measurement Program

Councilor Benson states the city used to participate in performance measurement programs and suggests on gathering public input for projects within and around the city. The Minnesota Council on Local Results and Innovations performance measurement program currently has a deadline of July 1, 2021. It is determined the city does not have enough time to participate in this program for this year but will implement program materials and surveys for participation in 2022.

Motion by Rohweder, seconded by Ward and carried 5-0 to approve resolution 21-21 and participate in this program for 2022.

I. Resolution 22-21 Request to Withhold Tax Forfeited Land from Sale

Administrator Rich is requesting to withhold tax forfeited property from sale, she states a request has been received from One Roof Community Housing for buildable lots to construct new homes in the City of Proctor. A city can request parcels be withheld from sale for six months. The proposed use of the land must be stated, and in this case the use of the land would be for affordable housing. Withholding the land at this time is not a promise to purchase, rather allowing a six month time frame for interested parties to come forward for land acquisition. Administrator Rich recommends withholding parcels:

185-0150-01520

185-0150-00670

185-0010-00480

185-0010-00550

185-0030-01510

185-0130-00500

Motion by Ward, seconded DeWall and carried 5-0 to withhold the parcels listed above from sale for a period of six months.

Discussion includes the cost to the city for the razing the building on these lots, Councilor DeWall states the importance of recouping any costs the city has paid for razing buildings and getting reimbursed for those costs. Councilor Benson states he would like for other entities to have the opportunity to obtain buildable lots along with One Roof Community Housing.

J. Resolution 23-21 Non-Objection to Lawful Gambling Permit

Motion by Rohweder, seconded by Johnson and carried 5-0 to approve resolution 23-21, to allow for the Proctor Chamber of Commerce to hold a raffle at the Powerhouse on August 28th, 2021.

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

Motion by Johnson, seconded by Rohweder and carried 5-0 to suspend the regular council meeting and open a closed session per MN Statutes 13D for land negotiation discussions at 7:43 pm.

Motion by Rohweder, seconded by Ward and carried 5-0 to resume the regular city council meeting at 7:55 pm.

New Business (Continued)

8J: Land Negotiations

Motion by Rohweder, seconded by Johnson to direct Administrator Rich to begin land negotiations regarding parcel 185-0150-02060.

MEMBER CONCERNS

Administrator Rich: None

Benson: Invited to attend a fair board meeting to discuss concerns and events. Submitting an agenda item at a future meeting. Floodwood extended the deadline for hiring their police chief to June 30, 2021. Chief Gaidis states he will be in Floodwood on 6/8/2021 and will provide an update at a later date. Brian Johnson, the constructor of the lectern has passed away, service dates and details will be coming soon.

DeWall: 2020 audit status, Administrator Rich states everything is on time, with a final document to be presented soon.

Johnson: Extends gratitude to all involved in putting together the Memorial Day Service.

Rohweder: Blighted property and notification status, Gaidis confirms the newly hired intern will be completing the blighted property process.

Mayor Ward: Requests the committee/commission packet to be added as unfinished business for the next meeting. Memorial Day Event was a success, thanks all who put in the work in putting it together.

Attorney Bray: None

BILLS FOR APPROVAL

General: \$124,930.69

Liquor: \$51,638.32

TOTAL BILLS FOR APPROVAL: \$176,569.01

Motion by Rohweder, seconded by DeWall and carried 5-0 to approve the bills as submitted.

Motion by DeWall, seconded by Ward and carried 5-0 to adjourn at 8:06 pm.

Chad Ward
Mayor

Jess Rich
City Administrator