

MINUTES OF THE PROCTOR CITY COUNCIL MEETING for June 21, 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 6:03 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, Jim Schwarzbauer, Leslie Brunfelt, Michelle Svoboda from WIPFLI

Motion by Johnson, seconded by Rohweder and carried 5-0 to approve the City Council minutes from Monday, June 7, 2021.

Motion Rohweder, seconded by Johnson and carried 5-0 to approve the agenda for Monday, June 21, 2021 with a correction on Item 6C to read:

Etter – FD Leave of Absence Request

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.

Motion by Johnson, seconded by Ward and carried 5-0 to approve the consent agenda for Monday, June 21, 2021, with items \*1D, \*1E, and \*5E pulled for discussion.

Mayor Ward states approval of consent agenda items acknowledges members of the council have received the minutes, not approval of items.

\*1D: Benson: Recommends asking additional entities for funding assistance in addition to Solway and Midway townships. He recommends asking St. Louis County, Grandview & Canosia as well as they are located within the school district. Benson asks for clarification of the \$30,000 contribution from sales tax and if it is solely from sales tax or food and beverage tax as well. Administrator Rich confirms this is solely from sales tax.

Motion by Rohweder, seconded by Johnson and carried 5-0 to accept the Parks & Rec Minutes from June 10, 2021.

\*1E: Councilor Benson notes item 4B asking if the TIF and Abatement Application Draft will be discussed during the closed session of tonight's meeting. Administrator Rich confirms this was discussed as an item on the agenda, noting there currently is not a TIF or abatement application on file and the drafted version would result in a blank application to hand out to parties interested in utilizing TIF and Abatement as financing options.

Motion by Benson, seconded by DeWall and carried 5-0 to accept PEDA minutes from June 15, 2021.

\*5E: Committee/Commission Appointment Application

Mayor Ward states this application would provide for the opportunity for interested people when serving on committee/commissions. Ward requests approval of this document as it is a working document, but no other suggestions have been received at this time.

Motion by DeWall, seconded by Rohweder and carried 5-0 to accept the committee/commission appointment application as the document to give to interested individuals who want to serve on a committee or commission in the City of Proctor.

Benson notes changes and modifications to the Police Civil Service Commission portion with Administrator Rich noting a draft has been sent reflecting those changes.

## 6. NEW BUSINESS

### **A. 2020 Audit Draft**

Michelle Svoboda from WIPFLI presents the 2020 audit draft. She presents the following opinions below:

#### **Basis for qualified Opinion on Governmental Activities**

As discussed in Note 10 to the financial statements, management of the City has not implemented the requirements of governmental Accounting Standards Board (GASB) Statement No. 68 for the Fireman's Relief Association, and has not determined and reported its net pension liability (asset), deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and related pension costs and pension information required to be disclosed in the footnotes to the financial to the financial statements that in our opinion, is required to conform with accounting principles generally accepted in the United States. The amounts by which this departure would affect assets, liabilities, deferred outflows of resources, deferred inflows of resources and expenses in the financial statements has not been determined.

#### **Qualified Opinion**

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Governmental Activities" paragraph, the financial statements referred to above present fairly, all material respects, the financial position of the governmental activities of the City as of December 31, 2020, and the changes in its financial position for the year then ended, in accordance with accounting principles in the United States.

Motion by DeWall, seconded by Ward and carried 5-0 to accept the 2020 audit draft as presented by WIPFLI.

### **B. Resolution 24-21 Accepting ARP Coronavirus Funds**

Administrator Rich states the acceptance of this resolution does not determine how the funds are spent, but the acceptance allows for the City of Proctor to receive the funds.

Motion by Johnson, seconded by Rohweder and carried 5-0 to approve resolution 24-21 accepting ARP Coronavirus funds.

**C. Etter – FD Leave of Absence**

Motion by Benson, seconded by Ward and carried 5-0 to approve a six month leave of absence submitted by Lacy Etter starting April 23<sup>rd</sup>, 2021.

**D. Event Approvals – Public Safety Committee Recommendation**

Motion by Rohweder, seconded by Johnson and carried 5-0 to approve the Cub Scout Day Camp for August 13-14, 2021 as submitted.

Motion by Ward, seconded by DeWall and carried 5-0 to approve the car show and swap meet at the Fairgrounds on August 8, 2021 as submitted.

Motion by Johnson, seconded by Rohweder and carried 5-0 to approve the change in time for Friday Night Hoghead from 10:00 pm to 11:00 pm as on August 20, 2021 as submitted.

Benson asks the reasoning for the change in an end time. Mayor Ward states the later end time allows for more attendance at Hog Head activities. Benson asks if other establishments will be requesting for later end times, and if those time changes will be granted. Mayor Ward states time changes can be requested by differing entities and establishments to council as necessary.

**E. Resolution 25-21 Non-Objection to Hold Raffle**

Mayor Ward notes the corrected resolution handed out prior to the meeting. The Lions/Historical submitted a request to hold a raffle on August 22, 2021 at the Powerhouse Bar.

Motion by Rohweder, seconded by Johnson and carried 5-0 to approve resolution 25-21 as submitted.

**F. 3<sup>rd</sup> St Catch Basin**

Administrator Rich states along with the stormwater repair on 1<sup>st</sup> St, the contractor has determined there are additional stormwater drains at 3<sup>rd</sup> St and the 3<sup>rd</sup> St Ally in need of repairs. These repairs were not originally budget for, with total estimate for the additional repairs totaling \$28,250. After looking at the budget with Finance Director Brunfelt, Brunfelt suggests using some of the \$50,000 in the sidewalk repairs fund for these repairs. It is also recommended by Street Department Rick LaLonde to utilize this fund for the additional repairs noted as these stormwater drains are in very poor condition, nothing they are the worst in the city. This request is asking for approval of the bid submitted to repair the stormwater and adjacent sidewalks using the sidewalk repair budget.

Motion by Ward, seconded by DeWall and carried 5-0 to approve the catch basin repairs and funding.

There is an additional request to move forward with the research and planning regarding implementation of a Stormwater/Utility Ordinance and fee. Mayor Ward is in favor of this recommendation as he believes it will address any requests for forgiveness of sewer bills in the event of water breaks.

Motion by Benson, seconded by DeWall and carried 5-0 to direct Administrator Rich to move forward with research and planning of implementing a stormwater utility ordinance and fee.

### **G. Playground for EveryBody**

Administrator Rich presents the quotes submitted for finalizing the project after the Parks & Recreation Committee meeting. She states some funding from the school has been lost due to COVID and special education funding dollars being redirected. Jennifer McDonald has revised the design to accommodate the loss in revenue. The two quotes presented are divided by ages with the totals for ages 5-12 equaling \$238,000.00 and 2-5 equaling \$75,000. Administrator Rich continues stating the entire playground needs to be encompassed by curb to contain the rubber surface coating, with the project totaling an estimated \$322,159. The funding sources currently in place contain the following entities:

\$200,000 DNR, \$50,000 St. Louis County CDBG, \$44,000 in cash/fundraising efforts by Jennifer McDonald; these amounts total a little over \$294,000. This leaves about a \$30,000 gap in funding. Parks & Rec met and recommends approval of the bids, with up to \$30,000 from sales tax funds to complete the project. Current funding sources are under a deadline as the received funds need to be spent by October, or the funds will need to be sent back. This project was started several years ago, and with the current construction climate the cost of both materials and labor has increased. Administrator Rich ensures letters will be sent to neighboring townships requesting their assistance to help with the funding gap.

Motion by Johnson, seconded by Rohweder and carried 5-0 to approve using up to \$30,000 from the sales tax fund to aid in the funding gap for the completion of the project.

DeWall stats the gap is about \$28,000 and asks why there is an amount of about \$2000.00 over what is needed as the approval is up to \$30,000. Administrator Rich is requesting \$2,000.00 more as a contingency with the current construction climate. Councilor DeWall states he is hopeful other entities will help with funding this project to see it to completion. Discussion follows including the length of time the project has continued, noting the completion of the playground will add to the region's recreation area as an asset to the community. Councilor Benson suggests not asking St. Louis County for additional funding, as a CDBG grant has previously been awarded for this project.

Mayor Ward clarifies the bids presented are for the playground equipment only and not the installation, as the installation will be completed by volunteers. Administrator Rich ensures professional installation of concrete footings will be completed by contractors, separating the curb work quotes.

Motion by Rohweder seconded by Johnson to approve the three quotes as submitted for completion of the Playground for EveryBody. Motion passes 4-1 (roll call voting: DeWall Y, Johnson Y, Rohweder Y, Benson Y, Ward N) to accept the quotes as submitted.

### **H. Proctor Area Historical Society – Request**

Mayor Ward notes the letter submitted by Russell Haberman of the Proctor Area Historical Society with Jim Schwarzbauer present to speak on behalf of this request. Raised \$17,000 with the 225 Club to pay off debt, to date the historical society has paid about \$10,500 on their bank loan and about \$4100 on the loan to the city.

The Historical Society is requesting to continue to pay on the loan, with the ability to redirect the money from the 225 club to other places. They are asking the city to consider forgiving the total or

partial remaining balance on the loan. Discussion continues including length of loan, repayment, and insurance of the building. Councilor Johnson suggests looking further into insurance options of the building itself.

Motion by Ward, seconded by DeWall and carried 5-0 for the Proctor Area Historical Society to continue making loan payments, paying down the loan balance to at least half and revisiting forgiveness options at a later date.

**I. Rail Safety Week Proclamation**

Motion by Ward, seconded by Rohweder and carried 5-0 to declare September 20<sup>th</sup> – September 26<sup>th</sup> as Rail Safety Week.

Administrator Rich asks for clarification on publishing of this proclamation. This proclamation will be posted on the bulletin board and on the website. It is determined not to publish.

**J. Resolution 26-21 Conditional Use Permit 1004 2<sup>nd</sup> Ave**

Motion by Johnson, seconded by Rohweder and carried 5-0 to grant a conditional use permit to Proctor Public Utilities for a booster station at 1004 2<sup>nd</sup> Ave.

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

Motion by Ward, seconded by DeWall and carried 5-0 to suspend the regular council meeting and open a closed session per MN Statutes 13D.05 for personnel, attorney client privilege and economic development discussions at 7:16 pm.

Motion by Rohweder, seconded by Johnson and carried 5-0 to resume the regular city council meeting at 7:29 pm.

New Business (Continued)

**L: Personnel**

Motion by Johnson, seconded by Benson and carried 5-0 to approve the agreement as presented between Police Chief Kent Gaidis and the City of Proctor.

**MEMBER CONCERNS**

Administrator Rich: None

Benson: None

DeWall: None

Johnson: None

Rohweder: None

Mayor Ward: Wish a Happy 4<sup>th</sup> of July – excited about the direction of the city. Lots of movement with a large agenda and packet. Blight issues discussed in detail and formulated a plan for action.

Attorney Bray: None

**BILLS FOR APPROVAL**

**General: \$35,153.98**

**Liquor: \$44,776.66**

**TOTAL BILLS FOR APPROVAL: \$79,930.64**

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 7:34 pm.

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Chad Ward  
Mayor

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Jess Rich  
City Administrator