

*Proctor's Vision*  
*Proctor, rich with railroad heritage, values above all, its people and their environment. Working together*  
*is our pathway to a safe, secure and progressive community*

*Slogan: "You Have A Place In Proctor"*

**MINUTES**  
**SPECIAL MEETING – BUDGET WORKING SESSION**  
**CITY COUNCIL**

Tuesday, January 25, 2022, 4:00 P.M.

Council Chambers- Proctor Community Center - 100 Pionk Drive

**MEMBERS PRESENT:** Councilor DeWall, Councilor Rohweder, Councilor Johnson, Councilor Benson, Mayor Ward

**MEMBERS ABSENT:** None

**OTHERS PRESENT:** City Administrator Jess Rich, Megan Jordan, Finance Director Leslie Brunfelt

**CALL TO ORDER**

Mayor Ward calls the meeting to order at 4:00 pm with all members present.

Motion by Rohweder, seconded by Johnson and carried 5-0 to approve the agenda for Tuesday, January 25, 2022.

**WORKING SESSION**

A. 2022 Budget – Administrator Rich gave an overview of agenda items for discussion and action:

1. Public Safety Fund transactions from departments and PEDAs budgets
2. Fire Department Audit Payment
3. Police Officer Positions
4. Sand/Salt Shed Financing
5. COVID-19 Protocol

1. Public Safety Fund: Discussion begins with reference to resolution 47-18 which states annual transfers from the police and fire departments into the public safety fund. Councilor DeWall gives an overview of the creation and intent of the public safety fund and would like to continue building the fund to create additional reserves for the city when necessary, without having to bond for future expenses such as equipment or vehicle replacement. Resolution 47-18 designates an annual transfer of \$25,000 from the police department to the public safety fund, designates funds from the surplus of fire calls, and the fire agreement with Midway township. It is noted this fund has created a better position for the city to build readily reserves, with the council to decide the most efficient way to continue building this fund. Finance Director Brunfelt presents a summary showing the fund deposits over the last three years, adding a line item has been added to the annual budget for the police department since 2018. The suggestion to add a specific amount as a line item for the fire department budget is added, with the council deciding to add an amount of \$5,000.00 in addition to the amount of revenue received from the fire agreement with Midway Township, and the amount received from the

surplus of fire calls for service to Midway Township.

**PEDA Budget:** Administrator Rich gives an overview to the council pertaining to development inquiries received, and the current factors hindering development at this time. Potential developers have considered locations within Proctor, however these sites either need updates to existing infrastructure or basic utility extensions. After discussing the variety of funding options for the PEDA budget, the decision is made to draft a resolution in February reflecting a percentage of surplus funds to be transferred after 2021 has been tied out and finalized.

2. **Fire Department Audit Payment:** A discussion after the completion of the 2020 audit suggested a payment come from the relief association to pay for audit expenses. The discussion includes the amount to pay for the audit will come from the city, but a check issued directly from the fire relief reflects better accounting practices. A brief discussion takes place on allocation of sales tax funds and expenses for the PlayGround for Everybody, with Administrator Rich stating she is continuing to seek additional grant opportunities to cover final expenses for the project without having to use sales tax funds.

3. **Police Officer Positions:** Administrator Rich participated in police interviews with Chief Gaidis for the open officer position. She states during the last round of interviews, there are two outstanding candidates, and addresses the council with the option of hiring two officers right now as opposed to one. Discussion follows factoring in overtime wages versus salary, lateral hirings versus rookie candidates, mostly focusing on the excess hours current officers are putting in to cover staff shortages within the department. After the initial discussion, the council would like to be provided with more specific numbers showing the cost of hiring an additional officer. Finance Director Brunfelt and Administrator Rich to provide these numbers to the council at a future council meeting.

4. **Sand/Salt Shed Financing:** As previously reported, the City of Proctor's share of the \$1,369,000.00 sand salt facility scheduled for construction this spring is \$960,000.00, with Proctor Utilities paying \$409,000.00. The 2022 budget included \$110,000 from general funds, a \$500,000 bonding bill, leaving a gap of \$350,000. Finance Director Brunfelt and Administrator Rich provide the council with three options: transfer of funds from closed debt service funds and a portion of ARPA funds, using only ARPA funds, or secure financing through the Minnesota Rural Water Association Midi-Loan program.

After discussing the options presented, it is decided to close out Fund 492 entirely, with a balance of \$85,149.00, using \$200,000 of ARPA funds, with the difference remaining to be withdrawn from Fund 491, a balance of ~\$64,851.00. This would leave ~109,500.00 in ARPA funds which need to be designated by 2024 and spent by 2026.

**ACTIONS TAKEN:**

Motion by Rohweder, seconded by DeWall and carried 5-0 to approve financing the \$350,000 funding gap for the sand/salt shed by closing out Fund 492 entirely, using \$200,000.00 of ARPA funds, and the remaining amount \$64,851 to be withdrawn from Fund 491.

Motion by Johnson, seconded by Benson and carried 5-0 to approve the 2022 budget as presented with the addition of the sand/salt shed financing decision and an amendment of a line item in the amount of \$5,000 in the fire department budget to transfer into the public safety fund annually.

\*Councilor Johnson leaves the meeting at 6:05 pm

5. COVID-19 Protocol: Administrator Rich gives an update on recent situations at City Hall in response and relation to COVID-19. Molecular tests have been received from the state and have been essential to have on-site for employees who have been exposed and/or are showing symptoms. These tests are a nose swab, delivering results within 20 minutes. To date, four tests have been administered with one positive case. The provided protocol has been drafted to determine how administration will handle staff shortages due to COVID-19 including leave time, duration, and isolation requirements. Employees have had the opportunity or ability to work remotely when feasible, with Rich stating this has been working efficiently thus far. Discussion including mask mandates, use of time off, and staffing to cover shortages follows. It is noted when employees are out due to COVID, it will not impede on their HCSP benefit, and they are able to determine what time they would like to use during their quarantine or isolation period.

Motion by Ward, seconded by Benson and carried 4-0 to approve the COVID-19 protocol as presented.

Motion by DeWall, seconded by Rohweder and carried 4-0 to adjourn the budget working session meeting at 6:18 pm.