

REGULAR MEETING MINUTES

Monday, January 3, 2022

CALL TO ORDER AND DETERMINATION OF A QUORUM

The Regular Meeting of the City Council of the City of Olivia, Minnesota, was called to order by Mayor Hawkinson at 7:00 P.M.

Council Members Present: Jon Hawkinson, Tom Kalahar, Blanca Ferguson, and Landon Padrnos.

Council Members Absent: George Ebbers (unofficially via Zoom)

Others present: Chief Krumheuer, OPD; Steven Wordes, resident; George Ebbers, Council Member (via Zoom); Scott Tedrick, Newspaper Editor (via Zoom); anonymous / unidentified participants (via Zoom); and Nikki Pregler, Deputy Clerk.

AGENDA

Motion by Ferguson, second by Padrnos: to approve the agenda as presented. Motion passed unanimously.

CONSENT AGENDA

Motion by Kalahar, second by Padrnos: to approve the presented Consent Agenda items:

- A. Regular Meeting Minutes of December 20, 2021
- B. Resolution 2022-01, 2022 Annual Resolution
- C. Resolution 2022-02, Acceptance of Donation to Olivia Fire Department
- D. Resolution 2022-03, Step Increases for Haney, Evenson, Ervin & Stenholm
- E. Confirm Mayoral Appointment of Larry Lee to the Planning Commission
- F. Confirm Mayoral Appointment of Mary Jo Halliday to the Zoning Board of Appeals
- G. January Payables #1
- H. December Check Register

Motion passed unanimously.

2022 Fine and Fee Schedule

- **Ordinance 2022-01, 2022 Fine and Fee Schedule**

Mayor Hawkinson referenced the discussion held at the previous Council meeting regarding the Fine and Fee schedule and the notification to the public about the proposed ordinance changes. He further explained that a resolution was also needed to authorize summarization of the lengthy ordinance for publication in the local newspaper.

Padrnos clarified with Walton that the presented version of the ordinance was updated and satisfactory, which Walton confirmed.

Motion by Ferguson, second by Padrnos: to approve Ordinance 2022-01, 2022 Fine and Fee Schedule. Motion passed unanimously.

- Resolution 2022-04, Authorization of Summary Publication of Ordinance 2022-01

Motion by Padrnos, second by Kalahar: to approve Resolution 2022-04, Authorization of Summary Publication of Ordinance 2022-01. Motion passed unanimously.

Resolution 2022-05, 2022 Interim Data Inventory Resolution

Walton advised tabling Resolution 2022-05, 2022 Interim Data Inventory Resolution, for further revision and updates. He suggested revisiting this document at the next Council meeting and adding it to the January 18, 2022 agenda, to which the Council agreed.

2019-2021 Airport Land Lease Discussion – Steve Wordes

Steven Wordes, resident and lessee of the airport land, reflected that he had addressed the Council a year previous to ask them to work with him so he could finish his three-year lease. He stated that he had a good year and shared that he had a check with him made payable to himself and the City of Olivia from Qualitech. He shared some calculations regarding rent and interest due. He asked if the Council would reconsider the interest rate and calculation. He stated that he pays approximately 5% interest at his bank.

Mayor Hawkinson thanked Wordes for his partnership and Wordes thanked the Council for working with him in the past. Mayor Hawkinson asked Walton what, if any, complications should be considered in this situation.

Walton said both parties are free to agree to modified terms. He clarified that the interest rate was based upon the Fee Schedule. He said the Council was free to receive a proposal. Ferguson asked if the Council could receive a proposal and table the issue until they made a decision.

Kalahar asked if the interest rate on the Fee Schedule was unreasonable or was it in line with other places where money could be borrowed. Walton stated that 18% APR was the lawful maximum allowable interest rate. Kalahar asked why it was set at 18% and Walton stated it was likely to encourage payment so people don't carry balances owed to the city, as the city is not a bank. Wordes asked if they could agree to a lower interest rate/calculation. Kalahar stated that he thought the interest rate had already been determined as part of the original agreement.

Padrnos stated that he was opposed to renegotiating the interest rate, considering the interest rate was written into the original agreement. He stated that he felt that the city had been more than lenient considering that no payment was received for nearly two years.

Walton asked Wordes what his proposal was. Wordes asked for an interest rate around 5 or 6 percent. Mayor Hawkinson clarified that he was asking for a recalculation of interest. Ferguson asked if fees other than interest were involved. Walton confirmed that property taxes were also included.

Mayor Hawkinson asked Walton what kind of ramifications/precedents the City could be setting regarding future late payment issues.

Padrinos clarified that the city utilized the same interest rate for any late payment. Kalahar agreed that the Fee Schedule should stand as it was written just as the contract should stand as it was written. Kalahar proposed that Wordes should pay the original interest per the original contract. Wordes admitted that he did not read the language in the contract.

Walton asked if the interest was reduced, could Wordes pay the balance due right away. Wordes stated that all he had was the value of the \$8848.22 check made payable to him and the city.

Padrinos proposed honoring the current balance due, however no additional interest would accrue on that balance going forward for one year. If good faith payments were made, the topic could be revisited at the end of 2022 if a balance remained. Mayor Hawkinson clarified that a payment plan could be developed and interest would stop accruing as of this date for one year.

Ferguson empathized with Wordes' situation however she stated that Kalahar and Padrinos were right, that the agreement was presented and signed long ago. She clarified however that when the city does not receive those scheduled payments on time, they go without planned income. The city also loans money and they are not allowed to renegotiate those loans at a later date.

Motion by Padrinos, second by Kalahar: to suspend accruing interest for the next 12 months on the remaining balance of \$2405.08 (\$11253.30 minus \$8848.22) regarding the 2019-2021 Airport Land Lease Agreement between Mr. Steven Wordes and the City of Olivia. Motion passed unanimously.

Agenda Additions/New Business

None.

Public Forum

Mayor Hawkinson temporarily recessed the regular meeting and opened the public forum at 7:24 p.m.

No public comments were made so Mayor Hawkinson reopened the regular meeting at 7:24 p.m.

REPORTS

Park and Trails Update

Mayor Hawkinson shared that the ice rink at Henton Park was open and ready for ice skaters, to which Padrinos shared he had already visited the facility. Mayor Hawkinson also shared that the Public Works Department has been doing what they could to manage any ice on the trail. Kalahar stated that it had been a struggle considering the weather.

Other Reports of Council / Staff

Mayor Hawkinson shared that the Finance Director posting went live as of that day.

Correspondence and Public Notices

Mayor Hawkinson shared the Notice of Campground Permit Issuance by Renville County Public Health. The Council determined that it was an annual permit and requirement for campgrounds.

Kalahar added that the following day, there was to be a meeting at the County Courthouse regarding County Ditch 63 lateral N. He asked Dan Coughlin to attend the meeting as it is a large drainage project which plans to increase the size of the tile and ultimately the volume of water drainage significantly. Standing water in ditch 63 could then impact the waste water treatment system as well as Olivia residents' basements. He suggested that any municipality should be concerned about any additional drainage to the existing system and ultimately the potential downstream impacts and damages in the future. He shared concern for the cumulative effect of projects like this.

ADJOURNMENT

Motion by Padrnos, second by Kalahar: to adjourn the meeting at 7:30 p.m. Motion passed unanimously.

Attest:



Dan Coughlin, City Administrator



Mayor Hawkinson