

WORK SESSION MINUTES

Tuesday, July 5, 2022

WORK SESSION

A quorum of the City Council, many City Staff members, Jason Murray from David Drown and Associates and Doug Grindberg from the USDA (via Zoom) held a work session from 6:30 P.M. to approximately 7:03 P.M. to discuss Proposed Public Safety / City Hall Improvements.

Proposed Public Safety / City Hall Improvements

Grindberg joined the meeting via Zoom to explain the available terms and conditions if financing options were utilized to fund this project. He stated that the process would be very similar to the process used to fund the DePue Project. He outlined the steps that had already been accomplished and the future steps required if the option is pursued. He stressed the importance of meeting upcoming deadlines to secure the loan total dollar amount, the term and most importantly the interest rate (which is expected to increase after September 30, 2022). He confirmed that taking these actions merely secured the financing terms and did not commit the City to the project.

Council Consensus was to agree to the terms and rate to move forward in the process. They also requested to schedule another meeting with Barbara Marks as soon as possible to review the draft plans yet again.

REGULAR MEETING MINUTES

Tuesday, July 5, 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 7:05 P.M.

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

Council Members Absent: None.

Others present: Dan Coughlin, City Administrator; Aaron Walton, City Attorney; Jason Murray, DDA; Bonnie Schwieger, Abdo; Kendra Lyngaas, SEH; Susie Lang, EDA Director; Tesa Tomaschett, Finance Director (via Zoom); Susie Lothert, presenter; Pat Melvin, DDA; Chief Krumheuer, OPD; Chief Seehusen, OFD; Trent Athmann, OFD; Steve Altmann, OFD; Dave Altmann, OFD; Travis Lubitz, OFD; Jason Rouse, OFD; Kevin Morse, OFD; Michael Kingstrom, OFD; Nate Erickson, OFD; Clint Olson, OFD; Amber Dale, Utilities Coordinator; Scott Tedrick, Register Editor (via Zoom); anonymous / unidentified participant (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 Ferguson: to approve the presented Consent Agenda items:

- Regular Meeting Minutes of June 20, 2022
- Correction/Clarification to Resolution 2022-52A, Amendments to Employee Manual for OPD Licensed Personnel
- Correction/Clarification to Resolution 2022-62A, Step Increase for Laura Nesburg
- Resolution 2022-64, Authorization of Annual Step Increase for Nanette Serbus
- Resolution 2022-65 Authorization of Annual Step Increase for Dan Coughlin
- Resolution 2022-66, Assessment Agreement between City of Olivia and Renville County
- Resolution 2022-67, Temporary Liquor License to Max's Grill
- Resolution 2022-68, Premises Permit Application for Olivia Ambulance Service, Inc.
- June Check Register

Padrnos asked about a date typo on Resolution 2022-65. Mayor Hawkinson stated that the typo had been corrected in the documents to be signed. Padrnos asked about the process regarding employee evaluations and step increases. Mayor Hawkinson explained that he was handling the evaluation paperwork which was in progress; however the item could be removed from the Consent Agenda if requested. Coughlin explained that the timing of the resolution being presented before the Mayor had concluded the paperwork was due to a request by payroll staff to have time to begin the clerical processing steps related to Coughlin's upcoming departure. Padrnos said he was ok with moving ahead if doing so would be of help to payroll staff.

Motion passed unanimously.

DISCUSSION / BUSINESS ITEMS

Public Hearing on Cooperative Tax Abatement for Olivia Oasis, LLC Townhome Development

At 7:10 P.M. Mayor Hawkinson temporarily recessed the regular meeting and opened a public hearing on the Cooperative Tax Abatement for Olivia Oasis, LLC Townhome Development.

Murray explained that the public hearing was being held to assist a townhome development in the City. The EDA had reviewed the plan including a tax abatement up to \$181,000 over eight years, whichever comes first. The plan included one parcel of land totaling eight units of rental housing. If rental properties are changed to sold properties, that will change the assistance as well. He referenced the additional documents included in the packet and mentioned that the exact plans are yet to be discussed with Planning and Zoning. Lang added that total completion of the project is expected by summer of 2023.

No other public comments were offered. Mayor Hawkinson closed the public hearing at 7:13 P.M. and reopened the regular meeting.

Motion by Ebbers, second by Kalahar: to approve Resolution 2022-74, Approval of Abatement Agreement with Olivia Oasis, LLC. Motion passed unanimously.

Consideration of Resolution 2022-69, Call for Public Hearing on August 1, 2022 for Potential Use of USDA Community Facilities Loan Program

Mayor Hawkinson explained that a Work Session was held just previous to the Council Meeting to discuss this item. Council consensus was to move forward with pursuing this loan program.

Motion by Ferguson, second by Padrnos: to approve Resolution 2022-69, Call for Public Hearing on August 1, 2022 for Potential Use of USDA Community Facilities Loan Program. Motion passed unanimously.

Consideration of Resolution 2022-70, Call for Public Hearing on August 1, 2022 for Potential Use of GO-CIP Funding for Debt Service Associated with the Potential Use of USDA Community Facilities Loan Program

Motion by Ebbers, second by Kalahar: to approve Resolution 2022-70, Call for Public Hearing on August 1, 2022 for Potential Use of GO-CIP Funding for Debt Service Associated with the Potential Use of USDA Community Facilities Loan Program. Motion passed unanimously.

DePue Project – Kendra Lyngaas

- Consideration of Resolution 2022-71, Call for Public Hearing on August 1, 2022 Regarding Amended USDA Rural Development Letter of Conditions (DePue Project Water / Storm Water)

Mayor Hawkinson explained that some adjustments had been made to the project costs related to the project now that bids have been received and accepted; and they were great enough to require a public hearing.

Motion by Padrnos, second by Kalahar: to approve Resolution 2022-71, Call for Public Hearing on August 1, 2022 Regarding Amended USDA Rural Development Letter of Conditions (DePue Project Water / Storm Water). Motion passed unanimously.

- Consideration of Resolution 2022-72, Call for Public Hearing on August 1, 2022 Regarding Amended USDA Rural Development Letter of Conditions (DePue Project Sanitary Sewer)

Mayor Hawkinson explained that item was similar in nature to the previous item, however it pertained to the Sanitary Sewer.

Motion by Ferguson, second by Ebbers: to approve Resolution 2022-72, Call for Public Hearing on August 1, 2022 Regarding Amended USDA Rural Development Letter of Conditions (DePue Project Sanitary Sewer). Motion passed unanimously.

- SEH Engineering Services Letter of Agreement for DePue Avenue Project

Lyngaas joined the meeting to discuss the DePue Project further. She presented a supplemental letter of agreement between the City and SEH and a proposal from Braun Intertec for testing services. She

reviewed specific tasks and details of the supplemental letter which was included in the Council packet. She also outlined the fees for the associated tasks, the budget and the proposed schedule.

- **Braun Intertec Testing Services Agreement for DePue Avenue Project**

Lyngaas explained that SEH often works with Braun Intertec to complete on-site testing. This would include soil density and compaction testing and bituminous and concrete testing to be sure they met all requirements. Braun Intertec included the breakdown of their scope of services as well as their costs, which was included in the Council packet. Overall, Braun would work with SEH engineers to schedule this testing as it is needed and then would complete any required reports.

- **Preconstruction Meeting – July 14, 2022 at 2:00 P.M. at City Hall**

Coughlin explained that both the SEH Engineering Services Letter of Agreement and the Braun Intertec Testing Services Agreement were costs already included in the project budget, but would require action by the Council.

Motion by Padrnos, second by Kalahar: to formally accept and receive the Letter of Agreement from SEH and the Services Agreement from Braun Intertec. Motion passed unanimously.

2021 Audit Presentation – Bonnie Schwieger

Schwieger presented the results of the 2021 audit. Overall, Abdo did not note any significant issues with the audit. She commented that having temporarily outsourced some of the finance department duties and having multiple other staff help with the effort, it was quite noteworthy that the audit process went extremely well and that the city's financial health is as strong and stable as ever. The only findings in the audit pertained to the same internal control limitations that virtually all small to moderate sized organizations get due to the limited staffing involved.

Schwieger shared that the overall revenues were over plan by nearly \$180,000.00. She stated that the greatest reason for that overage was due to additional refunds, reimbursements and grants received. The overall expenditures in 2021 were very close to budget plan which was a testament to the city's budget processes and financial procedures. Schwieger then gave an overview of the areas of revenue and expenditures in relation to various enterprise and special funds.

- **Consideration of Resolution 2022-75, Acceptance of 2021 Financial Audit**

Motion by Ferguson, second by Padrnos: to approve Resolution 2022-75, Acceptance of 2021 Financial Audit. Motion passed unanimously.

Update on Interim Utility Billing / Coordination Service Proposals – Tesa Tomaschett

Tomaschett joined the meeting via Zoom to share the findings of her research. She stated that she had contacted two accounting firms regarding their estimated fees and schedules to provide assistance to the City in this area. Also received was a proposal from retired former EDA Director Susie Lothert. By comparison, Lothert's costs were lower and Tomaschett stated that Lothert's past experience and knowledge of the position due to her being the long-term backup to the utility accounts manager would provide additional support and assistance to existing staff.

Tomaschett said that she was very impressed by the proposal from one particular accounting firm, CDS, and that if a need ever arose to retain an outside firm for operational help, CDS would be an ideal firm to work with. Tomaschett's recommendation was for the Council to accept and authorize Susie Lothert's proposal to fill the Interim Utility Billing services position. She also suggested scheduling some overlap and training time with existing staff before any staff leave begin.

Motion by Kalahar, second by Ferguson: to move forward with Susie Lothert's proposal for the Interim Utility Billing services position and commence her training as soon as convenient. Motion passed unanimously.

First reading of Proposed Ordinance 2022-07, Amending Olivia City Code § 152.046 Relating to Accessory Buildings

Walton summarized that the proposal would basically allow residents to build larger garages without requesting a variance each time. The current garage size allowed is 960 square feet. Requests for variances continue to be received and it seemed illogical to not allow larger garages to be built as larger, nicer homes continue to be built. The proposed ordinance would allow garages as large but no larger than the principal home on the property (in footprint and height). It would include attached and detached garages. Kalahar asked if the definition of a garage was specified so large steel buildings couldn't be built in residential areas. Walton said those definitions could be addressed and clarified by the Planning Commission if it was unclear in the verbiage. Walton reiterated that this ordinance is something that should be updated. Mayor Hawkinson added that neighboring communities are similarly updating their ordinances.

First reading of Proposed Ordinance 2022-08, CenterPoint Energy Gas Franchise Ordinance Update

Dale explained that this ordinance would grant CenterPoint Energy the non-exclusive right to operate gas utilities in City right of ways. It is a ten-year agreement and spells out rules, regulations and protections for the City. It would go beyond what the current city right of way ordinance provides for.

Consideration of Resolution 2022-73, Authorization to Hire Probationary Firefighters

Mayor Hawkinson explained that applications had been received and interviews had been conducted by the fire department hiring committee. Two individuals were presented for the Council's approval.

Motion by Ferguson, second by Ebbers: to approve Resolution 2022-73, Authorization to Hire Probationary Firefighters. Motion passed unanimously.

Chief Seehusen additionally asked if the increase to a 28-firefighter roster was still in effect from its most recent increase. Coughlin confirmed that to be true and added that the intent of the resolution passed several years ago was to allow new hires to be brought onto the roster prior to older members retiring so newer recruits could be mentored by the more senior members prior to their retirement schedules. Mayor Hawkinson asked if it was common to have a full roster. Seehusen stated that it is currently difficult to maintain a full roster but at this moment the roster is back to historic levels. Mayor Hawkinson remarked that he is appreciative of the organization and the participation of the many people who continue to serve on the Olivia Fire Department.

Administrator Search Process Update – Pat Melvin

Melvin joined the meeting to discuss the Position Profile contents and asked for suggestions and changes to that packet of information which would be shared with potential candidates. Suggestions to add information about the recently opened Arcade as well as a photo of the recently commemorated Veterans Memorial were voiced. Coughlin offered to reach out to Dominic Claseman and/or Scott Tedrick for a photo.

Melvin also reviewed the salary range information which he felt was comparatively on par. He reiterated that the provided City Administrator job description seemed to be up to date and did not need adjustment. He then reviewed the proposed schedule and various steps and tools used during the entire search process.

Motion by Ebbers, second by Padrnos: to approve the presented Position and Community Profile, Salary Range, Job Description, Search Timeline and Dates for Final Interviews. Motion passed unanimously.

Grande Apartments Amendment to Promissory Notes – Aaron Walton

Walton explained that the EDA administered some money in the name of the City to assist with refinancing the named property. The City would receive interest totaling \$266,000.00 however the loans would be extended. Because the Notes were in the name of the City, Walton recommended presenting this amendment to the City Council for approval. An amendment to the mortgage will be forthcoming so it aligns as well.

Padrnos asked to clarify the maturity dates, which Walton stated he could do. Padrnos also asked if the loan was behind in payments. Walton said no, the interest was a balloon payment at the end.

Lang added that in discussing the loans with the EDA and Jason Murray from DDA, this amendment was the best possible option to see a payment. These loans were difficult to sort out from the very beginning and though not ideal, are the best way forward. Walton stated that after much deciphering, he simplified the information down to the basics of what was needed.

Padrnos asked what the City hoped to receive out of this agreement in the next 15 years. Walton explained that there is and was no payment schedule however the balloon payment would be received soon. Walton agreed that a lot of planning went into this agreement. Ebbers added that on paper the situation looks bad, however a lot of value was added in the long run. Mayor Hawkinson reiterated that this amendment seemed to be the best way to receive any kind of payment.

Motion by Kalahar, second by Ferguson: to make an amendment to the Promissory Notes to SWMHP Three Cities LLC as presented. Motion passed unanimously.

AGENDA ADDITIONS / NEW BUSINESS ITEMS

No additions or new business items were presented.

PUBLIC FORUM

Mayor Hawkinson temporarily suspended the regular meeting and opened the public forum at 8:24 P.M. He clarified the amount of time allocated for public comments and the decorum expectations for those who participate in the Public Forum.

No public comments were offered so Mayor Hawkinson reopened the regular meeting at 8:24 P.M.

REPORTS

EDA – June 22

Ebbers shared that they discussed the tax abatement for Olivia Oasis, the Veterans Memorial and created a resolution to decertify TIF District 1-10.

Southwest Area Transportation Partnership – June 24

Coughlin shared that he again attended this meeting which is held 3 or 4 times per year in order to stay informed about projects being planned for the region in the coming years. He learned that currently road and infrastructure project bids have regularly been coming in well over engineer estimates due to supply chain and labor market issues – some in the neighborhood of 40% over original estimates. Comparatively the recent 8% increase seen on the DePue project seemed well timed and very competitively bid considering the current market.

Community Night at the Park – June 29

Mayor Hawkinson shared that approximately 115-125 people from the community came together at the event despite the heat and wind. He thought the response was positive and another event would likely be planned soon.

Highway 71 Project Open House – July 1

Coughlin shared that the open house was well attended with many residents and business owners attending to ask questions about the project. The estimated start date of the project set for July 11 may be pushed back to the first week of August. This is actually fortunate as Corn Capital Days will be just the week before. The contractor is having issues getting the materials needed for the project so temporary work may be done now and substantial completion will be next spring. As things change, staff will post notices on the City website and provide email or Code Red notifications to residents and businesses in the affected area.

Park Board – July 5

Kalahar shared that John Benson presented to the Board regarding the desire to build a baseball field at Dirks Park. The hope is to hold more baseball tournaments and bring more people to town. The Park Board was fairly receptive however more solid information and support from the community was required. Then they would take a second look at the presentation. Mayor Hawkinson added that the Park Board suggested some steps to Benson that would help his presentation move forward.

Kalahar said Steve Dirks also presented a plan to rework Dowling Park. The area businesses said they would cover the estimated cost of \$8,000.00 for the work. Dirks was looking for permission to begin the

park improvements including a new mural. Coughlin shared that BOLD art teacher, Bill Gabberts had created the new mural panels. He said that it was hoped the project would be by Corn Capital Days.

June BOLD Community Pool Report

Pool Coordinator Tracy Johnson provided her monthly written report which explained that swimming lessons were well attended and there are many opportunities for open swimming. The recent Big Kandi Water Safety Event was also well attended.

Other Reports of Council / Staff

No additional reports were presented.

NOTICES AND COMMUNICATIONS


Corn Capital Days Meeting – July 6, 2022 at Noon at the Chatterbox. Mayor Hawkinson noted that volunteers were welcome and encouraged to participate in this fun event.


No additional notices or communications were presented.

ADJOURNMENT

Motion by Padrnos, second by Kalahar: to adjourn the meeting at 8:42 P.M. Motion passed unanimously.

Attest:


Dan Coughlin, City Administrator


Jon Hawkinson, Mayor