

**Regular City Council Meeting  
Mountain Lake City Hall  
Tuesday, September 8, 2020  
6:30 p.m.**

Members Present: Mike Nelson, Darla Kruser, David Savage, Dana Kass, Andrew Ysker

Members Absent: None

City Staff Present: Michael Schulte, City Administrator/Clerk; Maryellen Suhrhoff, City Attorney, David Watkins, Ambulance Director; Andrew Kinnetz, Police Officer; Doug Bristol, Police Chief; Daron Friesen, Street Superintendent

Others Present: Doug Regehr, Emily Adrian

**Call to Order**

The meeting was called to order by Mayor Nelson at 6:30 p.m.

**Approval of Agenda & Consent Agenda**

Motion by Kass, seconded by Kruser, to add #10 Discussion/Action – Ambulance Pay for COVID-19 Related Items. Motion carried 5 – 0. Motion by Ysker, seconded by Savage, to approve the amended agenda and consent agenda. Motion carried 5 – 0.

Bills: Checks #23999 – 24064, 687E

Payroll: Checks #65521 – 65554

Approve July 20 EDA Board Minutes

Approve August 13 Utilities Commission Minutes

Approve August 17 City Council Minutes

**Public**

No one spoke during this portion of the meeting.

**Street Department Report**

Daron Friesen, Street Superintendent, provided a report of items completed in the month of August. Asphalt patching, mowing, cleaning the vortex at Lawcon Park, ordering signs, removing wasp nests in parks, and fixing swings were some of the items completed. Vandalism at Lawcon Park was discussed. The department sanded the wood in the shelter house, used vandalism removal on the park equipment, and repainted the inside and outside of the bathrooms. Some of the equipment where the vandalism is slightly visible will be painted over. Total costs and hours designated to address the vandalism were totaled and given to the police department. One-way signs on 4<sup>th</sup> Avenue near the school were installed today. 4<sup>th</sup> Avenue from 15<sup>th</sup> Street North to 12<sup>th</sup> Street North is now a permanent one-way heading westward. Two quotes to

purchase an Erskine Auger Assembly attachment were reviewed. The auger will be able to drill holes for signs and posts. Right now, the department is using an employee's personal piece of equipment for this type of work. Motion by Kass, seconded by Savage, to purchase the Erskine Auger Assembly from RDO Equipment for \$2,924.23. Motion carried 5 – 0.

### **COVID-19 Pay for EMTS**

David Watkins and Emily Adrian explained to the council of the ambulance association applying for and receiving a grant from the state to help cover expenses related to COVID-19. Part of the grant was to pay for time spent by EMTs being updated on COVID-19 items, webinars, trainings, and mandates from the state. Upon thorough discussions with the city, it was decided to use the grants funds to pay all EMTs who participated in runs and items related to COVID-19 from the grant and then pay the 4 EMTs who incurred more hours in items related to COVID-19 from the City's received CARES Act funds. 385 hours have been totaled by the 4 EMTs. A wage would need to be determined and approved by the council for the 4 EMTs to turn in their hours to the city. Watkins explained that the first hour an EMT is called out is paid \$30 for that hour and then it is \$20/hour. It was requested to have the hourly wage set at \$30/hour. The city has used around \$10,000 of CARES Act funds. Other items expected to be used from the fund are business and nonprofit grants, more cleaning and PPE supplies, technology equipment, and any emergency expenses that may arise between now and November 15. Motion by Kruser, seconded by Ysker, to approve a \$30/hour wage for COVID-19 pay for EMTs in the Ambulance Department to be paid from the City's CARES Act funds. Motion carried 5 – 0.

### **New Police Vehicle**

Doug Bristol, Police Chief, presented two options of a new 2021 Ford Explorer police vehicle. One option is the standard vehicle and the other is a hybrid. Bristol explained the various options added to the vehicle to meet department and public safety needs. The price with the needed options for the standard vehicle is \$33,788.24 and the hybrid is \$36,939.24. Bristol discussed that the hybrid vehicle is projected to save much more gas when in idle and driving through town. The savings should cover the extra cost above the regular model over the life of the vehicle with likely additional savings. There is a warranty on various parts up to 90,000 miles. Usually the department looks at a new vehicle when a current vehicle is near 100,000 miles to avoid costly repairs and the vehicle being out of commission for an extended period of time. One of the vehicles is just above 90,000 miles and by the time the new vehicle arrives it will be near 100,000 miles. Some of the internal equipment in the current vehicle can be used in the new vehicle but some of the equipment will have to be refitted as this model has different dimensions of the current vehicle. Hybrids, gas savings, repairs, options included with the price, the warranty, and other items were discussed. If approved tonight, the vehicle is expected to be in commission in January. Motion by Savage, seconded by Kass, to purchase the Hybrid 2021 Ford Explorer for a price of \$36,939.24 and purchase the additional needed specifications and equipment. Motion carried 5 – 0.

### **Pay Request #4 - Wastewater Ponds Project**

A memo update from John Graupman and the pay request from Mathiowetz Construction were reviewed. The project is near 50% completion. Liner was being installed on the east pond at the monthly construction meeting in August. Motion by Kass, seconded by Ysker, to approve Pay Request #4 to Mathiowetz Construction for \$736,789.68. Motion carried 5 – 0.

### **2021 Budget**

The 2021 draft budget, summary levy sheet, cash and savings in each fund, budget scenarios, the capital improvement plan, and other budget items were reviewed and discussed. Pop'd Kerns made their August payment at the end of August with an extension from the August 15 due date. The September payment is due September 15. Potential costs if the company fails to make their payments were reviewed. If the business is evicted, the time where the building stays vacant would determine the costs the city would incur. Debt service payments, property taxes, TIF reporting, and potential legal costs would be the potential costs the city would need to make. If Pop'd Kerns stopped making payments this month, fail to pay their property taxes, are evicted, and another business does not move onto the site in 2020, costs to be incurred by the city through February of 2022 could potentially be \$140,000, if not more. If payments from Pop'd Kerns continues as scheduled, the fund will be in the positive in 2021 and eventually the general fund could be reimbursed to cover costs of transfers to the Pop'd Kerns fund.

While there has been no action made at the state to cut Local Government Aid, other cities are budgeting a 5% or 10% cut as there are many unknowns of the state's budget. Currently, the 2021 budget draft does not incorporate a percentage cut. A 10% cut in Local Government aid would be \$92,643.20. The administrator asked due to the unknowns of Pop'd Kerns and Local Government Aid, what the council wanted to set as a preliminary levy to prepare for worst case scenarios. In the budget draft, a \$104,266.91 levy is planned to be made to Fund 385 which is the commercial park infrastructure debt service. Due to lower costs of the project, there are enough funds to cover the debt service payment in 2021 without levying but it would take a substantial amount out of the fund. The current levy for the fund was determined by the total debt service payments to be made in 2021, using cash averaged by the remaining number of years of debt service payments, and expected assessments to be received in 2021.

From discussions from the last meeting, an amount determined to be levied to TIF #1-5 Pop'd Kerns would be obligated to that fund whether it is needed or not. Instead of allocating funds to the Pop'd Kerns fund and commercial park infrastructure fund, an option is to take these amounts and place it in the interfund transfer line item in the general fund. This option would allow the city to determine where the funds can go to as needed in 2021 since there are unknowns going into 2021. The general fund on paper would appear inflated from 2020 but the amount in this line item would be understood to go where needed in 2021. Upon further

discussion, direction was given by the council to place the \$67,084.50 planned for TIF #1-5 Pop'd Kerns and \$104,266.91 planned for Fund 385 Commercial Park Infrastructure into the interfund transfer line item in the general fund and set the preliminary levy at 8.5%. It was noted by the council to ensure the public understands that it is the council's intention to keep the levy as low and as reasonable as possible but that there are two very large unknowns out of the city's control heading into 2021 so the 8.5% preliminary is to help prepare for worst case scenarios as it cannot be greater than 8.5% but can be lowered when approving the final levy in December.

### **2021 Capital Improvement Plan**

Motion by Kruser, seconded by Ysker, to approve the 2021 Capital Improvement Plan. Motion carried 5 – 0.

### **City Attorney**

The council asked various question about various public nuisances in the city. The city attorney provided updates and various plans to deal with the current nuisances.

### **Resolution #20-20 Support of Passing a Bonding Bill**

A letter to legislative leaders were reviewed. While Mountain Lake does not have a direct benefit from this year's proposed bonding bill, Mountain Lake did benefit from the last bonding bill with funds allocated to the Public Facilities Authority to finance the new wastewater ponds project. Motion by Kruser, seconded by Kass, to approve Resolution #20-20. The resolution will be sent to the Coalition of Greater Minnesota Cities to add to their supporting documents to advocate to pass a bonding bill.

### **League of Minnesota Cities Event**

A small gathering of neighboring cities will be hosted by Mountain Lake on September 23<sup>rd</sup> instead of the annual fall regional meetings. The council was invited to attend.

### **Adjourn**

The meeting was adjourned at 8:30 p.m.

### **Approved September 21, 2020**

ATTEST:

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Michael Schulte, Administrator/Clerk