

The Pledge of Allegiance was recited by those in attendance.

The regular council meeting of the City of Browns Valley, MN was held at City Hall. Council members present were Mayor Mike Heck, Ken Warren, Neil Madison, and Ken Westbrook. Absent: Tony Miller. Also in attendance were Mike Piechowski, Fire Chief Bartz, Librarian Bernice Piechowski, Attorney Franzese, and City Administrator Tom Schmitz. The meeting was called to order at 5:30 p.m. by Mayor Heck.

### **Oath of Office**

Council members present were administered the Oath of Office.

### **Additions to the Agenda**

Additions to the agenda were:

- A claim for Jeff Backer Jr. in the amount of \$750.00 for the purchase of stamps for the ambulance service,
- A claim for Matthew Franzese in the amount of \$305.00 for filing fees to the court regarding Reiner Contracting, Inc,
- Claims for approval totaling \$33,682.63

Upon a motion by Warren with second by Westbrook, the Council approved the additions to the agenda 4-0.

### **Consent Agenda**

Upon a motion from Warren and second by Madison, the Council approved 4-0 the minutes of the Regular Council meeting of December 26, 2018.

### **Financial Statement**

Upon a motion by Madison with second by Warren, the Council approved 4-0 the Financial Statement of January 17, 2019.

### **Fund Breakdown of Monies in Union State Bank**

Schmitz explained the Check Reconciliation Report from the Fund Accounting program showing month-end totals and identifying how monies in the bank checkbook are broken down into the various funds that are used in the City's day to day operation.

### **Bills**

Following presentation and discussion of prepaid claim, claims to be paid, and employee wages, upon a motion by Warren and second by Madison, the Council unanimously passed the following resolution:

BE IT AND IT IS HEREBY RESOLVED by the Council of the City of Browns Valley that the payment of the following city bills and payroll be and is approved as presented.

Prepaid claims: \$0.00      Claims for approval: \$33,682.63      Wages: \$12,531.43

### **Memorials/Donations**

Upon a motion from Warren and second by Madison, the Council unanimously approved Resolution 19-01, A Resolution Accepting A Donation to the City of Browns Valley.

### **Correspondence**

- The Council discussed renewing the City's membership with Lakes Country Service Cooperative

(LCSC). The City no longer purchases employee health insurance through them and currently doesn't participate in the services and other benefits that the Coop provides. Schmitz said that the City would be able to renew their membership at a later date should the Council change their mind in future years.

Upon a motion from Warren and second by Westbrook, the Council approved with a 4-0 vote to not renew with Lakes Country Service Cooperative at this time.

### **Unfinished Business**

Schmitz reported that he had conducted research as to whether it is mandatory that a landlord insure their rental properties. He said he found that while there's no legal obligation for landlords to take out insurance, the landlord would likely to be required to do so by their mortgage lender if they have a loan on the property. He said that he had also asked, on the League's web service to other city administrators and clerks if their city requires that a landlord provide proof of insurance on their rental properties. He received several responses back stating that they do not.

Schmitz provided a spreadsheet showing the number of residential and commercial accounts that were active in December. The City's revenue from residential, business and commercial refuse totaled \$5,400.00. The City pays \$4,000.00 per month for the garbage hauling service. The garbage pickup, an enterprise fund, is designed to create revenue for the city as to assist with shortfalls in other areas. Serocki added that in past years, the utility costs needed to be recalculated by the amount it was being used. He said that an excessive amount of water was being used each day until water meters were installed in the homes and the crew hauled a lot more garbage until the cost was changed to the amount of garbage being disposed of. Schmitz said that during his tenure, both apartment owners have approached the Council to ask for changes in how their utilities were charged. He added that he has inquired with other Minnesota cities how they charge for utilities at apartment buildings and has found that their process in fees is what is currently being done in Browns Valley.

Upon a motion from Heck and second by Westbrook, the Council approved with a 4-0 vote to refuse the request of Todd Johnson to adjust how garbage rates are being charged at Four Season's Apartments.

Schmitz reported that he could not find any documentation that would require a landline telephone to be at the Sam Brown Cabin. An attorney from the League had sent him information as to where a landline telephone is required in a building according to the Minnesota Fire Code and occupied historical buildings such as the Cabin do not fit the criteria in the information that was sent.

Upon a motion from Madison and second by Warren, the Council approved with a 4-0 vote to cancel the landline telephone at the Sam Brown Cabin.

### **New Business**

Schmitz provided a budget summary for 2019. It included enclosures of the:

- Revenues and Expenditures from 2018,
- Mill levy worksheet and 2019's approved budget,
- Levy history since 2014 showing changes in the different categories that the City levies for, and
- Debt service schedule for the wastewater project.

A budget narrative identified that:

- LGA will be cut another \$5,670.00 in 2019,
- Employees will receive a 2% increase in wages,
- The cost of employee health insurance will be reduced due to the change of insurance providers, and
- Capital projects items that will be considered for 2019.

Upon a motion from Warren with second by Heck, the Council approved with a 4-0 vote the 2019 Budget Summary for the City of Browns Valley.

Upon a motion from Warren with second by Madison, the Council approved with a vote of 4-0 Resolution 19-02, A Resolution Approving The City Of Browns Valley's Organizational Designations for 2019.

Upon a motion from Warren with second by Heck, the Council approved with a vote of 4-0 the 2019 Federal mileage rate.

Serocki reported that the area representative from Ottetail Power Company (OTPCO) was asked to stop and present an offer regarding the street lights on Broadway. OTPCO would like to sign a service agreement with the City that they would take ownership of the 20 street lights. In the service agreement, OTPCO would install new LED lighting and power heads like the light that was installed last year on the new pole by Goodhart's shop. This agreement would allow for all of the lights to be changed at one time instead of over a period of time when the lights have maintenance issues. OTPCO would be responsible for maintenance costs that the City is now charged for. The City will be charged an amount per light, as they are throughout the rest of the community. The streetlight account would be reduced by \$100.00 per month.

Upon a motion from Warren with second by Madison, the Council approved with a vote of 4-0 to pursue a service agreement with OTPCO regarding lighting along Broadway.

Council reviewed three different financing scenarios for bonding on a new public works building. The scenarios represent three different final building costs with the term of the bond being 10 years. The annual debt service can be paid through the revenue from the lease of farm land at the pond site. The engagement letter with Northland Securities identifies that should the City decide not to pursue, there will be no cost to the City.

Upon a motion from Heck with second by Warren, the Council approved with a vote of 4-0 the engagement letter with Northland Securities and continuing to pursue the building of a new public works building.

## **Department Reports**

### **Library**

Piechowski reported that she is continuing to work on year-end reports and identifying programming for the summer.

### **Public Works**

Serocki reported that he checked to find out if there were grants available to assist in replacing water valves at the intersections. He said that he was only able to find programs with low interest loans.

Serocki said that the Dakota Supply Group technician made two trips to Browns Valley after Christmas to identify and repair the issues with the controls for the water tower.

Serocki reported that the mounts and plumbing elbows at the lift stations are showing wear to the point that repair or replacement of these parts will need to be completed in the future years. He said that he planning to repair one lift station per year over the next three years.

Upon a motion from Westbrook with second by Warren, the Council approved with a vote of 4-0 to have the sludge in the lift stations pumped out.

Upon a motion from Warren with second by Westbrook, the Council approved with a vote of 4-0 to make the needed repairs on the plow truck and order a new plow for it.

Upon a motion from Warren with second by Westbrook, the Council approved with a vote of 4-0 to have WidsethSmithNolting Inc. to review bids on the water tower controls are what is stated in the bid specs.

### **Administrator's Report**

Schmitz reported that he received notice back from LMCIT's insurance adjuster regarding the 1936 Chevy fire truck being stored in the container at the old city park. The park is located in the flood plain. The adjuster responded that there are no exclusions for flood. The adjuster's supervisor agreed that the truck would be covered if it flooded. The amount of coverage would depend upon whether the truck is listed on the replacement cost endorsement. Schmitz replied that he will check the policy to identify if the truck has replacement cost coverage.

### **Council Concerns**

Mayor Heck discussed a concern should the City Administrator become ill for a period of time and not be able to work. Heck used the example of this council meeting being postponed due to Schmitz being ill and with the new Council not being sworn in would they be able to approve claims, purchases or make decisions. Schmitz replied that he will check with other cities in the State to see if they have a policy that can be used as a template in this situation.

Heck stated that he would like to discuss prioritizing projects to be pursued in 2019.

Heck stated that he would like to discuss succession planning prior to the time when the City Administrator decides to retire. He said that he wants to be prepared when that time comes.

Meeting was adjourned by Heck at 7:39 p. m.

Minutes submitted by:

Approved by:

Thomas A Schmitz, Clerk

Michael J. Heck, Mayor