

Council Present: Mayor Dana Ziegler, Wendy Bennett, Emily Edwards, Adam Finney, and Lisa Peterson
Staff Present: Clerk Kara Hansen, Clerk Diane Roelofs, Public Works Supervisor Mark Willette
Others Present: Tim Strommer

Mayor Ziegler opened the regular council meeting at 6:00 PM

Approve agenda

Mayor Ziegler stated item number 15, Rushmore, was added to the agenda. Snowmobile trails were also added to Miscellaneous under "d." Councilor Peterson made a motion to approve the agenda with the additions. 2nd by Councilor Finney. All approved. Motion carried.

Consent Agenda

The consent agenda included the 11/9/2023 meeting minutes, the 11/27/23 Teams meeting minutes with Holtmeier. Check Reconciliations, November Cash Balance Investment Report, Checks for Month showing \$23,763.84 in deposits and \$54,142.47 in checks, Savings and Loan Balance, City Revenue Guidelines, City Expenditure Guidelines, 20-23 Project expense report, City Savings Balances, December and January calendar of events, BEC Call Log for November, VCFD November Report. Councilor Peterson made a motion to approve the consent agenda. 2nd by Councilor Finney. All Approved. Motion carried.

Additional Bills

a. Councilor Edwards made a motion to approve the additional bills. 2nd by Councilor Bennett. All Approved. Motion carried.

b. SEH Invoice. Mayor Ziegler said the SEH invoice was for construction, observation, and staking. Clerk Hansen said that this was the bill that Engineer Chris Knutson said could wait to be paid until February. Mayor Ziegler informed Clerk Hansen to put the invoice in the next month bills.

c. Revenue Bond Payment. Clerk Hansen said the council needs to approve this payment because it was for a loan, and the council should be aware the final payment will be due June 1st, 2024 and the payment amount will be \$875,083.00. Councilor Peterson made a motion to approve the semi-annual interest payment of \$6,083.00 for the bond. 2nd by Councilor Edwards. All approved. Motion carried.

c. Resolution 2023-24. Clerk Hansen said the transfer is to cover the two temporary roads for the project. Councilor Peterson made a motion to approve the transfer of funds for Resolution 2023-24 for \$25,000. 2nd by Councilor Bennett. All approved. Motion carried.

Public Comment

None

Infrastructure Project

a. **DEED Project Update.** Clerk Hansen informed the council the punch list has not been completed. Councilor Peterson said these items need to be completed before Holtmeier is paid for the contingency of the DEED Project. Mayor Ziegler informed Clerk Hansen to contact Engineer Chris Knutson about the incomplete Punch List for the DEED Project.

b. **Utility Revenue Bond Invoice.** Councilor Peterson stated this is for professional fees for the RD loan. Councilor Peterson made a motion to approve the invoice for Taft for \$14,000. 2nd by Councilor Edwards. All approved. Motion carried.

c. Interim Loan information for Pay App. Mayor Ziegler stated at the last city council meeting the council approved Pay Application Number One. The funds for the Pay Application are held up at the state as there is a process to release the funds to the city. Mayor Ziegler, Councilor Peterson, Clerk Hansen, and Clerk Roelofs had a meeting with Jim Voda of Holtmeier and Matt Schneider of Holtmeier. Mayor Ziegler informed Mr. Voda and Mr. Schneider that the city was not going to be able to pay them the full amount, but could make a partial payment with MRWA Funds and the portion of the construction project that Blue Earth County was responsible for. Mayor Ziegler made an agreement with Holtmeier that if PFA funds were not going to be released in December that the city would take out an interim loan for 2 million dollars to pay for Pay Application One and Pay Application Two. During the meeting, PFA informed Mayor Ziegler that the city project was now behind two other cities and the release of funds would be pushed back into January. Mayor Ziegler stated it wasn't right to make Holtmeier wait for their payments since they've done their job. As of today, the city has started the process of acquiring an interim loan with Shannon Sweeney of David Drown Associates. There will be a special meeting for next Wednesday, December 13th, 2023 at 6:00 PM to approve the loan. Councilor Peterson said the loan will cover Pay Application One, Pay Application Two, and some of Pay Application Three. Mayor Ziegler said there should be no more new invoices from Holtmeier until April. The interim loan will have a fee of \$30,000. Councilor Peterson said the notes from the meeting with Holtmeier are in the Consent agenda, and the \$30,000 the city will have to pay for the interim loan can be rolled into the RD loan.

d. USDA for PFA Review. Clerk Hansen said the council needs to look at this and know that it is ready to be submitted. Ed Gilmore of USDA-RD is holding on to it until PFA asks for it.

e. Pay Application Number Two. Councilor Peterson stated under where the document says "Vernon Center column M Value of Work this Application" is the current amount the city is paying for the pay application. The BEC, PFA, and USDA columns represent the cumulative totals of the pay applications. The totals of the costs in those columns are \$2,007,068.82. There is a five percent retainage taken out. Councilor Peterson made a motion to approve Pay Application #2 for \$817,943.71. 2nd by Councilor Finney. All approved. Motion carried.

Public Works

Mayor Ziegler asked if PW Supervisor Willette and Dennis Peterson of Peterson Motor Grader had gone over the roads with construction on them for the snow route. PW Supervisor Willette said they did.

City Fee Schedule

Clerk Hansen said she's waiting to hear from LJP to find out how much the rates of Garbage Tags have increased. There will be a public hearing at the January meeting to info the city about the fee schedule. The council just needs to look at the fee schedule and approve it during the January meeting. Councilor Finney asked if water rates are comparable to other cities in the area. Councilor Peterson said they ours are higher, but the city is hoping to reevaluate and refinance loans so they can level the water rates off.

MPCA

Councilor Finney made a motion to approve the MPCA Annual I&I Reduction Report. 2nd by Councilor Bennett. All approved. Motion carried.

Elections

Clerk Hansen said the next year is an election year. The council needs to go over the municipality agreement, approve the resolution showing Blue Earth County as the polling place, and to approve the

counting of mail in ballots. Councilor Peterson made a motion to approve the municipality agreement with Blue Earth County. 2nd by Councilor Finney. All approved. Motion Carried.

Resolution 2023-22

Councilor Finney made a motion to approve Resolution 2023-22 designating mail balloting and polling place as Blue Earth County. 2nd by Councilor Peterson. All approved. Motion carried.

Resolution 2023-23

Councilor Peterson made a motion to approve Resolution 2023-23 regarding city write in vote counting. 2nd by Councilor Finney. All approved. Motion carried.

Misc

a. Resolution 2023-21 to approve special assessment utilities. Clerk Hansen said she had to change the date and put the amount of what was assessed on the resolution, and included "Attachment A." The council will need to reapprove. Councilor Peterson made a motion to re-approve resolution 2023-21 with the corrections. 2nd by Councilor Finney. All approved. Motion carried.

b. Microsoft Teams. The council was made aware that Clerk Hansen had to put Microsoft Authenticator and Defender on her phone in order to sign in to the city's accounts. Councilor Peterson stated as there is no personal information for the city on either app.

c. Clerk Hansen said the Point-of-Sale documents for 203 Park Ave N were never turned in. Councilor Peterson informed Clerk Hansen to contact the new home owners to provide the documents.

Snowmobile Trail

Mayor Ziegler showed a map of the current snowmobile trail for the Snowbirds of Amboy Inc. They now want access to the gas station in Vernon Center. Easements already exist across several properties in the city, but the Snowbirds, specifically, want access to an alley on the north side of the city. PW Supervisor Willette said he pushes all his snow up back there as there is no other place to put it. Mayor Ziegler said he will inform the Snowbirds about the snow needing pushed up that alley.

Oak St Freeze Run Credit

Residents on Oak St S had temporary water lines installed in October while the new water main was put in. The weekend of October 27th, 28th, and 29th Engineer John Voigt of SEH informed the city that the temperatures were dropping fifteen degrees below freezing. To prevent the temporary water lines freezing, the residents would need to constantly run their water for that weekend. Clerk Hansen provided the council with the list of residents affected. Only two residents were higher on their utility bill for the month of October. Councilor Peterson asked if everyone who had temporary water lines on Oak St S were instructed to run their water. Clerk Hansen said Holtmeier spoke with residents and placed notices on their doors about the event. Mayor Ziegler said he thought every resident who participated in the freeze run during the last weekend in October should be given a credit for their time. Councilor Finney made a motion to give the residents affected by the freeze run a \$10 credit. 2nd by Councilor Peterson. All approved. Motion carried.

City Council Schedule

Mayor Ziegler asked for the January meeting to be moved to Monday, January 8th, 2024, and the September meeting to be moved to Monday September 9th, 2024. He asked how long it took to get the

certification for the election results back for the November meeting. Clerk Roelofs said it could take a few days, but the schedule can be finalized in January. Councilor Peterson asked what the Pay Application schedule was? Mayor Ziegler said he doesn't want to have special meetings to approve pay applications. Engineer Chris Knutson would have the answer to that, and directed Clerk Hansen to confer with him before they made decisions on the months of June, July, and October.

ESST Personnel Policy Update

Councilor Edwards said she's been working with both Clerk Hansen and Clerk Roelofs about the payroll portion of ESST. State law requires an employee be able to see what they accrue for ESST on every paycheck. She outlined our current policy which has to change to include all temporary and part-time employees. As long as an employee is performing 80 hours of work in a year, they can accrue ESST time. According to the state, an employee accrues 1 hour of ESST time for 30 hours worked. Our current sick pay shows the city is in compliance of ESST standards, but the current policy is not in accordance with the law because PTO is given at the end of the month. Councilor Edwards said the city can choose to frontload ESST hours, but she doesn't know how it will work with Banyon. Clerk Hansen said Banyon underwent an update in regards to ESST. Councilor Edwards asked the council if they wanted to front load eight hours every month? Councilor Peterson asked if we front load the hours, and an employee retires or leaves or takes a sick day, do they earn ESST time and does the city have to pay it out? Councilor Edwards said no. Mayor Ziegler said he thought the city should go about this the easiest way possible. Councilor Edwards asked the council if they could change the wording in the personnel policy to call it personal/ESST time? Mayor Ziegler informed Councilor Edwards to clean up the amendment, and have the changes ready to go by next Wednesday so the council can approve it.

Rushmore

Clerk Hansen said she sent a copy of the contract to Rushmore. Rushmore's clerk said the only verbiage that needed changed was for the "Waste Water Treatment Plant" to be changed to "Water Treatment Plant" in the first paragraph. Clerk Hansen had the attorney change it. Mayor Ziegler spoke with the city attorney who said it was fine if the City of Vernon Center hired Rubin Construction to take the equipment out of Rushmore's Water Treatment Facility. Rubin Construction is willing to contract with the city of Vernon Center for the removal of equipment. Engineer Eric Meestner will be on site to oversee the removal process. The city council will need to approve the contract, the cost to Rubin Construction, and the engineer fees. Mayor Ziegler stated Rubin Construction is interested in rehabilitating the water tanks. Engineer Eric Meestner will draw up an agreement with Rubin Construction about rehabbing the tanks, and draw plans for the city's WTP after the equipment is rehabbed. PW Supervisor Willette will travel to Rushmore before the removal and gather small items that can be brought in on the city truck. Mayor Ziegler said the cost of everything is going to be about \$60,000. Councilor Peterson asked if the city has any funds left over, and can we use the funds from RD for this equipment. Clerk Roelofs thought the equipment would qualify for the fund but there may not be much funding left over as the city is having a well put in. Councilor Peterson made a motion to approve the updated contract with the City of Rushmore, to approve the quote for Rubin Construction, and hire Nero Engineering to supervisor the equipment removal. 2nd by Councilor Finney. All approved. Motion carried.

Budget Final Tax Levy

The preliminary budget showed a property tax increase of 7.4% before council discussion. Mayor Ziegler said every council member should have a percentage in mind for a tax levy. He asked if the \$25,000 for the two temporary roads was already moved? Clerk Hansen said yes. Mayor Ziegler asked why there was an increase in city council wages and salaries. Clerk Roelofs said she thought with the Project there would be more meetings. Mayor Ziegler stated there would be less meetings in 2024 than in 2023. He advised the city should cut repairs and maintenance on the buildings from \$8350 to \$4000. He also wanted to slash maintenance and repair on the trucks from \$7500 to \$4500. Councilor Peterson thought the city could take the budget for fire department turn out gear and take that money out of the public safety fund and add a revenue for the city's portion. This reduced the general levy to 3.4%. Councilor Peterson said there was \$5000 in budget for a storage container, but money could be taken out of savings. Mayor Ziegler said there might not be a need for a storage container next year. The council decided to remove it from the budget. This reduced the general tax levy to a 1.6%. Mayor Ziegler said if we keep taking money down from future projects eventually the city will have to put money back in it. The cost of inflation is around 5% which means the city is paying that much higher for goods. The council decided a tax levy increase to over 2% was appropriate. Mayor Ziegler said to increase future projects by \$3500 which put the general tax levy at 2.7%. The council then looked at water and sewer levies. Clerk Roelofs wanted to make sure the city council was okay with charging the waste water fees to the firehall and city shop. Councilor Peterson asked if those fees were showing up as operating expenses in the general fund. Clerk Roelofs said no, they were both in sewer as an expense, and in water as a revenue. Mayor Ziegler asked about funds for the tornado sirens. Councilor Peterson thought the tornado siren fund should come out of civil defense or public safety. Mayor Ziegler asked if the township's tornado siren was the responsibility of the township, the responsibility of the city, or the responsibility of the county. Clerk Hansen said she would contact Eric Weller and inquire, and Councilor Finney said he would look into it. It was recommended to leave the tornado siren as is in the budget. Councilor Peterson made a motion to approve Resolution 2023-25 adapting final tax levy of \$280,398. Which is 2.7% with utility improvement debt levy of \$24,334. 2nd by Councilor Edwards. All approved. Motion carried.

Next meeting is scheduled for Wednesday, December 13th.

The next regularly scheduled meeting will be Monday, January 8th, at 6:00 PM.

Councilor Bennett made a motion to adjourn. 2nd by Councilor Peterson. All approved. Motion carried.

Meeting adjourned at 7:04 PM.

Kara Hanen, Clerk-Treasurer

Dana Ziegler, Mayor

Date approved