

MEETING MINUTES

CLARA CITY CITY COUNCIL REGULAR MEETING

Tuesday
April 9, 2019
6:30 PM

CITY HALL COUNCIL CHAMBERS CLARA CITY, MINNESOTA

Members present: Gary Nelson, Nate Speiser, Jeff Davids, Vic Sparks, and Rhonda Pieper

Members absent: None

Staff present: Judy Gosseling (Finance Director), Julie Aalfs (Deputy Clerk), Jeffrey Stager (Public Works Director), Kim Wood (Chief of Police), Jim Flaherty (Interim Care Center Administrator), and Windy Block (City Administrator)

Others present: Sam Peterson (Clara City Herald), Brenda Parsley (CDS), Shirley Klaassen, Lisa Osthus, and Nathaniel Kern

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1. Call to Order—*By Mayor Gary Nelson at 6:31 p.m. A Quorum of the City Council was declared as being present.*

Note: This meeting has been officially recorded.

2. Additions/Deletions/Modifications to Agenda

Action taken: M/S/P 5-0 (Pieper/Davids) to approve the Meeting Agenda with the addition of the following Agenda Items, including: No. 5 (B) Affirming a payroll action as taken by Mayor Nelson and Administrator Block in which three unused Holidays for Police Chief Kim Wood were paid out in lieu of providing a day off; No. 9 (B-1) A Mayoral Proclamation in honor of the flood fighters in the March 21-27 community flooding event; No. 9 (D-6a) Hiring of a new Care Center Administrator; No. 9. (D-6b) Purchase of a vitals sign monitor and rolling stand for the Assisted Living Facility; No. 9 (D-6c) Adoption of Resolution No. 2019-022 Internal Borrowing of Funds from City to Care Center for Operations; No. 9. (D-6d) Update on Director of Nursing Position at the Care Center; No. 9. (J) Adoption of Resolution No. 2019-020 Authority for Paying Claims of the City; No. 9 (K) Adoption of Resolution No. 2019-021 Authority for Paying Claims of the Care Center; No. 9 (L) Request for funding from Prairie Five Rides for continued services in Clara City; and No. 9. (M) Establishing a date for a Special Meeting on the proposed Wastewater Treatment Plant with Bolton & Menk.

3. Approval of Meeting Minutes

3. (A) Regular City Council Meeting of March 12, 2019

Action taken: M/S/P 5-0 (Speiser/Sparks) to approve the Meeting Minutes for the City Council Meeting held on March 12, 2019, as presented.

4. Notices and Communications—*Informational only, no action is required.*

4. (A) Information Memo from Upper MN Valley RDC--Planner Update, dated March 26, 2019.

5. Approval of Consent Agenda

5. (A) Consideration of approving “Application for Construction Permit(s)” for the following applicant(s) as recommended by the Planning Commission at their last regular meeting on April 3, 2019.

1. Lyle and Sandra Koenen, 1017 N Division St—Re-shingle existing home with asphalt shingles following removal of the old shingles—Work to be done by Maple Street Construction—Project Cost of \$9,500—Permit fee of \$25.00.

5. (B) Affirming the action taken by Mayor Gary Nelson and Windy Block, City Administrator, regarding the City’s payout of three (3) unused Holidays from 2018 for Kim Wood, Police Chief, for her services due to extenuating circumstances. The City’s total cost was \$1,039.54 with a gross amount to Ms. Wood in an amount of \$838.20. This was a one-time exception to the normal practice of having the employee use such days up in the first few months of the following year. In this case, it was deemed to be improbable that such could be accomplished without undue hardship on the department.

Action taken: M/S/P 5-0 (Pieper/Davids) to approve the Consent Agenda as presented above.

6. Reports from Officers, Commissions, and Committees—No action is required.

6. (A) Planning Commission – *Council Liaison Victor Sparks reported.*

1. Approved Minutes of the March 6, 2019 Regular Meeting.
2. Any notable activities from the Regular Meeting of April 3, 2019.

6. (B) Economic Development Authority (EDA) – *Council Liaisons Nelson & Pieper reported.*

1. Approved Minutes of the March 11, 2019 Regular Meeting.
2. Any notable activities from their Regular Meeting of April 8, 2019.

7. Reports from Staff and Administrative Officers—No action is required (see general business).

7. (A) Police Department—*March 2019 Activity Report by Kimberly M. Wood, Chief of Police*

7. (B) Public Works Department—Jeff Stager, Director of Public Works

1. Mr. Stager shared with the Council that the City’s 2005 Elgin Street Sweeper was facing some needed repairs in a possible amount of up to \$15,000 and that such repairs, if continued, represent a concerning liability to his department and the City. He also shared that a new sweeper would be approximately \$187,000 in today’s market, net of a trade-in value of the current unit at \$18,750. Stager stated that he will keep the Council informed as things progress.

7. (C) Prairie Park Place—Mindie Nurmi, Housing Manager. No report given.

7. (D) Clara City Care Center—Jim Flaherty, Interim Administrator---*See Agenda Item No. 9 (D).*

7. (E) City Administrator—Windy Block reported on the following:

1. Swimming Pool – The April 9, 2019 status of the recruiting efforts for 2019 aquatic center staff as put together by Deputy Clerk Julie Aalfs.
2. 2018 Utility & Street Construction Project completion – The projected start date for project completion work by Duinick Inc. is May 15, 2019, Block also distributed an engineering memo from Michael Amborn, PE, Rodeberg & Berryman, Inc., which offers a solution for a drainage

issue in the alleyway of the block fronting Center Avenue West between Division Street NW and First Street NW, and may be able to be worked into the 2018 Utility & Street Improvement Project.

8. Public Hearing—*None*

9. General Business

9. (A) Consideration of receiving the “Audited Financial Statements and Supplementary Information for the Year Ended December 31, 2018,” as prepared by Conway, Deuth & Schmiesing, PLLP, Certified Public Accountants & Consultants (CDS). Brenda Parsley, CPA, with CDS, presented the Audited Financial Statements and Supplementary Information of the City of Clara City as of December 31, 2108, utilizing a PowerPoint presentation. She also reviewed the Management Letter document and answered any questions as put forth by the Councilors. Parsley highlighted that the City’s fund balance is in excess of the recommended amount and that the City has adequate resources available for the payment of its required operations and debt service. She stated that, in the opinion of the CDS auditors, the City’s audit was clean and without any outstanding discrepancies or issues that needed any immediate action.

Action taken: *M/S/P 5-0 (Pieper/Davids) to acknowledge the receipt and reporting of the Financial Audit and Supplementary Information of the City of Clara City for the Year Ended December 31, 2018.*

9. (B) Consideration of Resolution No. 2019-019 DELEGATING LEGAL SIGNING AUTHORITY regarding the City’s intention to seek any and all financial reimbursement through the Division of Homeland Security and Emergency Management at the Department of Public Safety for expenses and/or losses incurred by the City in the recent spring flooding in March 2019. Staff explained that this is in normal keeping with the filing by Chippewa County for a declaration of extreme county-wide loss due to the flooding events of March 2019, and their request that FEMA and the Departments of Homeland Security and Emergency Management help mitigate the costs for such losses and expense as incurred by the local units of government in fighting through such devastation.

Action taken: *M/S/P 5-0 (Pieper/Speiser) to adopt City Resolution No. 2019-019 DELEGATING LEGAL SIGNING AUTHORITY in support of the City’s and Chippewa County’s efforts for obtaining financial assistance and/or reimbursement for the local recovery efforts and costs as incurred due to the spring flooding of 2019.*

9. (B-1) On a related flooding matter, Mayor Nelson introduced a Proclamation which designates the date of Wednesday, April 17, 2019, as a special day of appreciation and thanks for all the City’s flood fighters and efforts. He listed a variety of individual and business names and stated his thanks and appreciation for the many fine efforts and assistance provided in the community’s successfully warding off potential damages and losses from the spring flooding of March 21-27, 2019.

Action taken: *M/S/P 5-0 (Davids /Pieper) that the City Council hereby unanimously endorses and supports Mayor Nelson’s Proclamation, such designating Wednesday, April 17, 2019, as “A Special Day of Appreciation and Thanks for all of Our City Flood Fighters and Efforts.”*

9. (C) Consideration of approving a recommendation from the EDA regarding the execution of a Voluntary Surrender Agreement between the City/EDA and Sonja Günther, dba Sugar & Spice. Staff reported that the EDA had received and reviewed the agreement, had subsequently approved the execution of the Voluntary Surrender Agreement, and are recommending the same to the City Council.

Action taken: *M/S/P 5-0 (Speiser/Sparks) to approve the EDA’s execution of the Voluntary Surrender Agreement between the City/EDA and Sonja Günther, dba Sugar & Spice, such releasing Sonja Günther, dba Sugar & Spice, from the remaining debt owed to the City/EDA under the June 1, 2015 Promissory Note, and surrendering all associated collateral to the City/EDA for their consideration of use.*

9. (D) Consideration of acknowledging and/or approving, as may be required, the operations information and issues, if any, which may be brought forward by the Staff and/or the Council’s Care Center Subcommittee. Council Representatives Speiser and/or Nelson and Jim Flaherty, Interim Administrator, reported.

1. Approval of new employee hire(s) and terminations for the period of March 1-31, 2019.

Action taken: *M/S/P 5-0 (Pieper/Sparks) to approve the new hires in March 1-31, 2019, of Jennifer Evenson (Nursing), Leisa Harris (Nursing), and Karen Henkel (Nursing); and the termination of Katherine Flinn (LPN).*

2. Acknowledgement and review of the Care Center's Client Census Data as of March 31, 2019.

Action taken: *M/S/P 5-0 (Speiser/Pieper) to acknowledge and approve the Care Center's Client Census Data as of March 31, 2019, such report revealing 40 out of a possible 55 clients.*

3. Acknowledgement and approval of the current Financial Reporting Information and Documentation for the Care Center, such including:
 - a) "Financial Data" Report for the period ended February 28, 2019.
 - b) Bank Balances and Financial Statement Balances as of March 31, 2019.
 - c) Accounts Receivable Balances as of March 31, 2019.

Action taken: *The consensus of the Council was that, inasmuch as the Care Center financials, at the direction of the Care Center Subcommittee, are in the process of being examined and updated by an outside CPA firm and are not yet currently available, any further consideration of this Agenda Item is hereby postponed until the May 2019 Regular Meeting.*

4. Approval of the Check Register of the Clara City Care Center for the period of March 31, 2019 in the total amount of \$383,123.92 for Check Numbers 49325-49420.

Action taken: *M/S/P 5-0 (Davids/Speiser) to approve the Check Register of the Clara City Care Center for the month period ending March 31, 2019 in the amount of \$383,123.92 for Check Numbers 49325-49420.*

5. Approval of the Care Center's Electronic Payments for the Month ending March 31, 2019.

Action taken: *Due to a communications error by the City Administrator, this Agenda Item will be held over for final consideration of approval at the City Council Meeting on May 14, 2019.*

6. Consideration of any additional recommendations as may be forthcoming from the Care Center Subcommittee regarding a variety of management subjects that have evolved from recent resignations and terminations at the Care Center and Assisted Living facilities. Interim Administrator Jim Flaherty reported on the following:

6-a. Consideration of approving a recommendation from the Care Center Subcommittee for the hiring, with conditions, of Matt Blum, Superior, NE, as the next Administrator of the Care Center at an annual salary of \$90,000 plus standard benefits. His anticipated start date in Clara City is May 14, 2019. His resume was discussed and Flaherty shared additional detail regarding Blum's reference checks and professional credentials.

Action taken: *M/S/P 5-0 (Pieper/Davids) to approve the hiring of Matt Blum, Superior NE, as the Care Center Administrator, at an annual salary of \$90,000 with standard benefits and with a starting date of May 14, 2019.*

6-b. Consideration of approving a recommendation from the Care Center Subcommittee for the purchase of a vital signs monitor and rolling stand at a cost of \$2,433.89 for use at the Assisted Living Facility. A Staff Report, dated April 8, 2019, as drafted by Annette Sietsema, in support of the request was presented and discussed.

Action taken: M/S/P 5-0 (Sparks/Davids) to approve the purchase of a Rolling Stand with Vital Signs Monitor from Direct Supply, Milwaukee, WI as per the quoted price of \$2,433.89, such unit to be used for client care at the Assisted Living Facility.

6-c. Consideration of adopting City Resolution No. 2019-022 Authorization for Internal Loans by the City to the Care Center for its Ongoing Operational Expenses. Staff explained the need.

Action taken: M/S/P 5-0 (Speiser/Sparks) to adopt City Resolution No. 2019-022 RESOLUTION AUTHORIZING THE MAKING OF LOANS BY THE CITY TO THE CARE CENTER FOR THE EXPENSES OF ITS OPERATION.

At 7:43 P.M., Mayor Nelson declared a brief recess of the City Council in order to allow the Care Center Subcommittee to meet and update itself on the latest administrative activities at the Care Center. The Subcommittee removed themselves from the meeting and met accordingly.

At 7:49 P.M., Mayor Nelson called the City Council Meeting back to order.

6-d. Consideration of receiving an update from the Care Center Subcommittee regarding the solicitation of a new Director of Nursing. Malana Niemeyer is currently serving as the Interim DON in order to get the agency to a position of finding a permanent replacement.

Action taken: Following the brief recess, Mayor Nelson reported that the Subcommittee did not yet have a final recommendation at this time and that it would continue with the interviewing of yet one additional new candidate for the Director of Nursing position. Consequently, no official action was taken nor requested.

Other information shared: Mr. Flaherty announced some additional good news, noting that the Care Center has been successful in reducing its reliance on “pool staffing.” He cited hourly figures of 1423 for January 2019, 907 hours for February 2019, 834 hours for March 2019, and 480 hours for April 2019, as evidence that great strides have been made by staff in reducing the onerous costs as associated with “pool staffing.” Consequently, he indicated that the Care center would also be giving up one reserved apartment unit at the Prairie Park Place for the housing of pool staff!

9. (E) Consideration of approving the appointment of Nathaniel Kern for service with the Clara City Police Department with a projected start date of FTO in mid-to-late May 2019. Chief Wood provided an introduction of the qualifications of Mr. Kern and Councilors Nelson and Davids provided a summary of their positive findings from an online interview that they had conducted with the candidate earlier in the day. Mr. Kern was in attendance and offered brief comment.

Action taken: M/S/P 5-0 (Speiser/Pieper) to approve the appointment of Nathaniel Kern as a Full-time Police Officer with the Police Department, such appointment to be conditioned on the candidate’s successful completion of all requirements as detailed in the letter of offer of employment presented to Kern by Chief Wood and which is to be made a part of this record. Further, that the candidate’s starting of employment date is estimated to be around June 1, 2019, beginning with an assignment of Grade Level 7, Step 4 (\$19.11/hr.) and moving to Grade Level 7, Step 5 (\$19.50/hr.) upon the candidate’s successful completion of probation.

9. (F) Consideration of approving a possible recommendation from the EDA regarding their desire to develop and implement a Repair & Improvement Loan Program for businesses in the Downtown Business District. The maximum to be directed to this program will be \$10,000 per year with a maximum amount of matching dollars available for any one project to be set at the lesser of 75% of the project cost or \$2,500. In addition, the matching loan is treated as a deferred five-year loan which will be forgiven if the owner keeps the property and business in an active business status in the downtown district throughout the five years. Staff explained the program as approved and recommended by the EDA and encouraged the adoption of the trial program in order to

fix minor nagging problems which often occur in the downtown business district. In addition, Staff presented the first application for a loan which was approved by the EDA contingent on the program being implemented. This loan is for gutter improvement to the Tholen Building at a total quoted price of \$3,389.51, which would require an investment by the owner/borrower of \$889.51 and a matching loan at the maximum of \$2,500.00.

Action taken: *M/S/P 5-0 (Speiser/Sparks) to acknowledge and approve, as based upon the findings and recommendation of the EDA, the implementation of the Downtown Business District Repair & Improvement Loan Program with the terms and conditions as outlined above; and further, to approve the Application as submitted by the owners of the Tholen Building for a maximum matching loan of \$2,500 with a required \$889.51 of owner/borrower investment, together which will be used to improve the roof drainage of the building according to the design and proposal, dated March 19, 2019, from West Central Roofing, Willmar, MN.*

9. (G) Consideration of approving staff recommendations regarding two groupings of allocation adjustments that are now available due to separate sets of circumstances that have not been previously available for the Council's consideration. An Excel Spreadsheet was distributed and used in explaining the recommendations. These situations include:

1. Resulting funds from the previously approved execution of the 2019 Cash Current Call of Bond Series 2011B Hawk Creek Acres.

Action taken: *M/S/P 5-0 (Speiser/Pieper) to approve the immediate distribution of excess funds remaining after the payment of the bond call, estimated to be about \$117,965, to the following purposes and/or funds, including: \$5,000 for future park improvements as a City match to Lion's Club improvement projects, \$5,500 towards the remodeling of the Ambulance garage space as a match to the \$5,500 from the Ambulance Reserve for the same project, \$82,465 to be placed in a Housing Reserve Fund for future housing projects, \$10,000 to go towards the cost of upgrading in 2019 the tables and chairs for the Community Center and City Council Chamber, and \$15,000 to be placed in a Contingency Account under the City Council Budget Allocation for any unknown special projects of the Councils; and furthermore, to allocate those funds which will be in the Series 2011B Hawk Creek Acres Debt Service Bond Fund on December 31, 2019, estimated to be about \$66,606, to an existing set of City Reserve Funds as shown on Attachment "A" to the Excl Spreadsheet.*

2. Close-out of the 2016 Utility & Street Improvement Project Fund.

Action taken: *Per the recommendation of staff, the City Council's consensus was to take this recommendation under consideration and prepare itself for final action at a time that will be more appropriate for such consideration.*

9. (H) Consideration of approving a recommendation from staff for the designation of the \$25,000 one-time bonus that is scheduled to be paid to the City by ATC Iris 1, LLC as a result of the City's execution of the First Amendment to Ground Lease Agreement (tower lease). The recommendation is to dedicate the \$25,000 to a reserve fund which will be used in future years for the City to pay for the extraordinary educational expenses of employees as may be directed or approved by the City Council on a case-by-case basis.

Action taken: *M/S/P 5-0 (Speiser/Davids) to approve the designation of the \$25,000 one-time signing bonus from the execution of the Ground Lease Agreement with ATC Iris 1 LC for the American Tower lease to an Employee Education Fund, such funds to be used in future years by the City to pay for extraordinary educational expenses as to be approved by the City on a case-by-case basis.*

9. (I) Consideration of continuing the dialogue regarding the succession planning for the City's administrative branch of government. Staff distributed a Staff Memorandum, dated April 9, 2019, that outlined a proposed succession model for the City's administrative office.

Action taken: *This was informational only, and as such, no official action was taken nor requested.*

9. (J) Consideration of adopting Resolution No. 2019-020.

Action taken: *M/S/P 5-0 (Sparks/Speiser) to adopt City Resolution No. 2019-020 RESOLUTION APPROVING THE DELEGATION OF AUTHORITY FOR THE PAYING OF CLAIMS PRESENTED TO THE CITY OF CLARA CITY.*

9. (K) Consideration of adopting Resolution No. 2019-021.

Action taken: *M/S/P 5-0 (Pieper/Sparks) to adopt City Resolution No. 2019-021 RESOLUTION APPROVING THE DELEGATION OF AUTHORITY FOR THE PAYING OF CLAIMS PRESENTED TO THE CITY OF CLARA CITY ON BEHALF OF THE CLARA CITY CARE CENTER.*

9. (L) Consideration of approving a request in the amount of \$30,000 for the City's support of continued bus activity in the City by Prairie Five Rides. Staff explained the nature of the request.

Action taken: *M/S/P 5-0 (Pieper/Davids) to table further consideration of this item until the May 14, 2019 Regular City Council Meeting and to direct staff to invite the Prairie Five Rides representative to that meeting for additional discussion.*

9. (M) Consideration of establishing a Special Meeting of the City Council primarily as a work session with John Graupman, PE, for consideration of his recommendations of a work plan in 2019 to repair and rehabilitate the City's Wastewater Treatment Plant (WWTP). This may also involve a preliminary examination of the suggested financing mechanism for such improvements. The suggested dates are (1) Tuesday, April 16, 2019, 6:30 P.M. or (2) Tuesday, April 30, 2019, 6:30 P.M., at City Hall.

Action taken: *M/S/P 5-0 (Speiser/Sparks) to establish a Special Meeting of the City Council on April 16, 2019, 6:30 p.m., for further consideration of the recommendations of John Graupman, P.E., Bolton & Menk, regarding the work plan in 2019 for the repair and rehabilitation of the City's Wastewater Treatment Plant (WWTP).*

10. Approval for the Payment of Claims and Appropriations

10. (A) Consideration for the approval of the City's Verified Claims for the period ending April 9, 2019—
Receive list of Verified Claims from Judy Gosseling, Finance Director

Action taken: *Due to the early date of the month, these claims were not available and this Agenda Item was therefore tabled until the next regular City Council meeting.*

10. (B) Consideration of approving the City's Electronic Payments for the Month ending March 31, 2019. Judy Gosseling, Finance Director, presented a listing of these payments.

Action taken: *M/S/P 5-0 (Speiser/Sparks) to approve the City's Electronic Payment List for the Month ending March 31, 2019, as presented by Judy Gosseling, Finance Director.*

10. (C) Consideration of approving a Credit Card Policy for use by the City in conducting its business.

Action taken: *M/S/P 5-0 (Pieper/Davids) to approve the Credit Card Policy as presented*

11. Appearance of Interested Citizens—*Please present yourself at the podium and after being recognized by the Mayor, clearly state your name and address for the record, and then address your concern to the entire City Council, doing so within a maximum of three (3) minutes. Your items of concern will generally not be debated or discussed but may be assigned to staff for further investigation.*

A. Shirley Klaassen, 307 SW 3rd St.—Questioned how much bonded indebtedness, in the wake of a positive audit report, was appropriate for the City of Clara City to carry?

B. Lisa Osthus, 322 SW 3rd St.—Questioned what the City is hiding about the EDA and why she hasn't been given any answers to her previous questions?

12. Announcements—*Mayor Nelson reminded the Councilors of the following:*

12. (A) A Special Meeting of the City Council as set for Tuesday, April 16, 2019, 6:30 p.m., at the City Hall.

12. (B) The next Regular Meeting of the City Council will be on Tuesday, May 14, 2019, 6:30 pm, in the City Hall Chamber.

13. Adjournment—*Upon recognizing that there no additional business to be considered, Mayor Nelson, without objection, declared this Regular Meeting of the City Council to ne adjourned as of 9:16 p.m.*

BY: _____
Gary Nelson, Mayor

ATTEST: _____
Winthro C. Block, City Administrator/Clerk