

MINUTES OF THE REGULAR MEETING
OF THE BRAHAM CITY COUNCIL
TUESDAY, FEBRUARY 19, 2019
7:00 P.M.

The meeting was called to order with the following present: Mayor Patricia Carlson; Council Members Robert Knowles, Shawn Sullivan, Jeremy Kunshier, and Vicky Ethen; and City Administrator Sally Hoy.

Police Chief Eric Baumgart and Officer Kevin Lease were in the audience.

The meeting opened with The Pledge of Allegiance.

Ethen moved, and Knowles seconded to approve the minutes from the January 8, 2019 council meeting. Motion carried 5-0.

Kunshier moved, and Ethen seconded to accept the updated agenda as printed. Motion carried 5-0.

Sullivan moved, and Ethen seconded to approve payment of the January 2019 bills and payrolls. Motion carried 5-0.

Chief Baumgart presented the police report. He reported 724 ICRs in January, and a total of 1,183 YTD. He updated the council on current police activities that included counterfeit money, recovering a stolen vehicle, 19 medicals, 16 assists to other agencies, DWI, an arrest for exploitation of a vulnerable adult and theft of medications, and financial exploitation of a vulnerable adult. Baumgart commended Detective Stahl for his investigative work on these felony cases that resulted in arrests.

Baumgart updated the council on the restructuring of the winter parking ordinance. He noted a couple cars were towed, and a couple citations were issued. He noted that the daytime plowing was addressed by having people move their cars for the plows.

BANKING TRANSACTIONS AND TRANSFERS

Ethen moved, and Kunshier seconded to approve the following banking transactions and transfers:

1/8/19 Transferred \$5,463 from Lottery Checking to General Checking for reimbursement of Lottery payouts

1/29/19 Transferred \$475 from Lottery Checking to General Checking to cover the expense for storing the Liquor Store items during the building renovations

12/31/18 Y/E Transfers – Attached.

Ratify 4th Qtr. 2018 Payments from the SCDP Revolving Loan:

11/6/18	Liberty Exteriors	\$2,500	Housing Rehab - storm damage
11/29/18	D&M Excavating	\$3,150	Housing Rehab – Sewer line replacement
11/29/18	Lakes & Pines	\$ 315	Housing Rehab – 10% Admin Charge

Motion carried 5-0.

ENGINEERING

There were no engineering items.

ORD. 284 SETTING WATER/SEWER RATES & DEBT SERVICE RATES

1/8/19 Administrator's Report:

As noted at the Dec. 4, 2018 Truth in Taxation meeting, the 2019 Budget includes rate increases in both the water and sewer funds. The last increases the City had on water/sewer rates was in 2010, and on the Debt Service fees was in 2013. Due to the economy, we held off on rate increases, and instead used reserves to offset the shortfall in the budgets, which we can no longer do. We've seen an increase in water line breaks and lift station repairs with our aging infrastructure, and with summers consistently wet year after year, the City is not taking in the revenues to keep the water and sewer funds healthy.

Two components to the necessary water rate increases come from the DNR—

- (1) Minnesota Statutes 2010, section 103G.291 states that public water suppliers serving more than 1,000 people are required to adopt demand reduction measures, including a conservation rate structure or a uniform rate structure with a conservation program, before requesting approval for a new well or an amendment to the Appropriation Permit for the existing well to increase the number of gallons under the permit. The City currently has a uniform rate structure with a conservation program that achieves demand reduction through public education efforts, but it is only a matter of time before public education efforts are no longer considered sufficient enough, and a conservation rate structure will be required. Since the rate increases are necessary for the revenues, it only makes sense to get the conservation rate structure in place at the same time.
- (2) The 10-Year Water Supply Plan addresses water conservation efforts, a conservation rate structure, and the inadequacy of the City's backup public water supply. The City's backup well pumps up to 100 gallons per minutes, which would not supply the community for an extended period of time if the main well, which pumps up to 1,000 gpm, was out of service. The MN Dept of Health has also recommended a second, larger production well during their annual Sanitary Water Surveys. We're addressing a new well with the Capital Improvement Plan this spring. The 2019 Water and Sewer Dept budgets include payments on the Capital Improvement Bonds.

I met with the Water/Sewer Rate Committee, and we reviewed the different options for rate increases. We looked at both rate and fee structure comparisons in the area. Base fees for operating costs are used by the cities of Cambridge, Isanti, Milaca, and Mora. The base fees for

the City of Isanti have a tiered structure with increments in usage, where every tier adds another 5,000 gallons into the increment. This lightens the impact of the fees for those using over the 5,000 gallons, while still implementing a conservation fee schedule (basically, the more you use, the higher the charge). We followed this same tiered increment of gallons in setting up a fee structure for Braham. I checked with the DNR, and the tiered structure will meet the definition of a conservation rate structure as required by MN Statute 103G.291 but they recommend “base fees” be for zero gallons so everyone pays the same. This would defeat a conservation rate structure, so we would consider these “usage fees.”

Usage Fees Structure

<u>Gallons</u>	<u>Increment- gallons</u>	<u># of Fees</u>	<u>Est.# of Braham Customers</u>
0-5,000 g.	5,000 increment	1 Fee	559 + 211 apts = 730
5,001-15,000	10,000 increment	2 Fees	86
15,001-30,000	15,000 increment	3 Fees	7
30,001-50,000	20,000 increment	4 Fees	2
50,001-75,000	25,000 increment	5 Fees	1
75,001-105,000	30,000 increment	6 Fees	0
105,001-140,000	35,000 increment	7 Fees	0
140,001-180,000	40,000 increment	8 Fees	0
180,001-225,000	45,000 increment	9 Fees	0
225,001-275,000	50,000 increment	10 Fees	0

And so on, adding an additional 5,000 gallons to the previous increment.

**The committee’s recommendation is to increase the revenues partially in rates and partially in fees as follows at the monthly billings:

Water Rate increase from \$3.65 to \$4.30/1,000 g. = \$.65/1,000 g. increase
 Water Usage Fee of \$8.00 per month on the tiered schedule

Sewer Rate increase from \$7.60 to \$8.00/1,000 g. = \$.40/1,000 g. increase
 Sewer Usage Fee of \$4.00 per month on the tiered schedule

Single Family calculation of the monthly charges would be as follows:

<u>GALLONS</u>	<u>CURRENT</u>	<u>PROPOSED</u>	<u>INCREASE</u>
3,500 gallons	\$ 57.45	\$73.13	\$15.68
5,000 gallons	\$ 74.33	\$91.58	\$17.25
10,000 gallons	\$130.58	\$165.08	\$34.50
20,000 gallons	\$243.08	\$300.08	\$57.00

Multiple unit dwellings are required by Minnesota Statutes 2010, section 103G.291 to be calculated on a per unit basis. The rate structure must consider each residential unit as an individual user.

The ordinance has been reviewed and okayed by the City Attorney, and if acceptable to the council, it will be posted in January and back on the February agenda for adoption. It would take effect on the March 2019 billing due April 14 that covers the mid-February to mid-March usage.

No one likes rate increases, but considering the last increase was 6 years ago, and with the necessary repairs of the infrastructure and increase in operating costs, rate increases are inevitable. It's just a matter of how those increases are going to be distributed—rates, fees, or both. The committee recommended both.

Administrator Hoy reported that at the January 8, 2019 council meeting, the council voted to move forward with the adoption of Ord. 284 as recommended by the Rate Committee. She said the Ordinance had been posted in City Hall and on the City website for the month of January, and was ready for council adoption.

Council Member Ethen noted that she strongly recommended a policy be put into place to increase the rates 2-3% per year instead of doing a large increase after many years. Discussion followed. Council Member Knowles suggested an increase every other year. The council directed the Rate Committee to do a study for a 5-year rate plan.

Sullivan moved, and Knowles seconded to adopt Ord. 284 setting the water/sewer rates and debt service rates for the City. Ayes: Knowles, Sullivan, Carlson, Kunshier. Nay: Ethen. Motion carried 4-1.

Ethen moved, and Knowles seconded to direct the Rate Committee review the rates and come up with a 5-year plan. Motion carried 5-0.

RATIFY SALE OF 2010 CROWN VIC TO D & T AUTO

Sullivan moved, and Kunshier seconded to ratify the sale of the 2010 Crown Vic to D & T Auto through the online public auction on 1/18/18 for \$2,330. Motion carried 5-0.

AMEND THE SALE AMOUNT OF THE 1999 PONTIAC FROM \$679.02 TO \$455

Sullivan moved, and Kunshier seconded to amend the amount of the sale of the confiscated 1999 Pontiac to Richard Chasteen for \$455 through the Public On-line Auction. Motion carried 5-0.

RES. 19-3 ADOPTING CREDIT CARD POLICY

The council reviewed Res. 19-3 adopting a Credit Card Policy. Sullivan moved, and Ethen seconded to adopt Res. 19-3, striking the bullet in the resolution that referred to one-time purchase limits. Motion carried 5-0.

2019 APPOINTMENT OF FIRE DEPARTMENT OFFICERS

Ethen moved, and Sullivan seconded to approve the appointment of the following Fire Department Officers for 2019:

Line Officers:

Jeff Jones - Chief
Dean Bondeson - Asst Chief
Ross Benzen - Captain
Shawn Fisher - Asst Captain

Business Officers:

Dean Bondeson - President
Ryan Davis - Vice President
Amanda Swenson - Secretary
Ross Benzen - Treasurer

Motion carried 5-0.

MUTUAL AID AGREEMENT WITH MORA FOR FIRE SERVICES

The council reviewed renewal of the Fire Mutual Aid Agreement with Mora that was approved by the Fire Department. Knowles moved, and Ethen seconded to approve renewal the Fire Mutual Aid Agreement with Mora. Motion carried 5-0.

MUTUAL AID AGREEMENT WITH BROOK PARK FOR FIRE SERVICES

The council reviewed the Fire Mutual Aid Agreement with Brook Park that was approved by the Fire Department. Knowles moved, and Kunshier seconded to adopt the Mutual Aid Agreement with Brook Park. Motion carried 5-0.

2019 SAFETY COMMITTEE MEMBERS

Carlson moved, and Kunshier seconded to appoint the following members to the City's Safety Committee: The City Administrator, Sue Hasser, Stephanie White, Dan Eklund, Jeff Jones (Streets & Fire), Eric Baumgart, Kevin Stahl, and Jacque Nordby. Motion carried 5-0.

PERSONNEL ITEMS

Resignation of Jason Evans

Carlson moved, and Sullivan seconded to accept the resignation of Jason Evans from the Braham Police Department, effective Jan. 28, 2019. Motion carried 5-0.

Change Police Officer Jesse Zajac from Part-time to Full-time Status

Ethen moved, and Kunshier seconded to change the status of police officer Jesse Zajac from part-time to full-time, effective 2/1/19. Motion carried 5-0.

Authorize Advertisement for Part-time Police Officers

Chief Baumgart reported to the council that he'd like to advertise for part-time police officers to fill Jesse Zajac's part-time spot and build an eligibility list for future hiring needs over the next year. Sullivan moved, and Ethen seconded to authorize advertisement for more part-time police officers. Motion carried 5-0.

Title Change and Pay Increase for Stephanie White and Amendment to 2019 Salary Schedule

The council considered Administrator Hoy and the Personnel Committee's recommendation to change Stephanie White's title from Receptionist/Billing Clerk to Office Specialist at the highest Pay Equity Points of 151, and at Step 4 of the Salary Schedule \$22.11/hr. to recognize the past 3½ year that she's been performing the work of an Office Specialist for the City.

Kunshier moved, and Knowles seconded to change Stephanie White's title to Office Specialist at 151 Pay Equity Points, and at Step 4 of the 2019 Salary Schedule \$22.11/hr. to recognize the 3½ years she has been performed the duties of an Office Specialist, and to amend the 2019 Salary Schedule adding the position of Office Specialist. Motion carried 5-0.

Sally Hoy's Retirement in 2019

City Administrator Sally Hoy announced she would be retiring at the end of October 2019, after 31 years with the City of Braham. She explained she would be eligible for retirement benefits, and was ready for her pace in life to slow down so she could spend more time with her family and church.

Discussion took place on how soon to start the hiring process. The council expressed their concern with getting the right candidate for the position, and agreed to start the process sooner rather than later to allow time for a new administrator to work with Hoy before she retired, and in the event that the council did not find the right candidate for the position before Hoy retired. Council Member Kunshier asked about the budget to cover the cost of two administrators during the transition, and Hoy said there were funds in the reserves to cover the transition.

Mayor Carlson noted the importance of hiring a person with a minimum of 3 years recent experience as a city administrator so they would have the knowledge and be up to date with all the job requirements. Hoy cautioned the council against hiring an inexperienced administrator. Baumgart concurred. Discussion followed with mixed feelings on how wide of an application pool the council wanted.

Council Member Knowles shared employee concerns with the management style of a new administrator. Hoy stated this is why it is key that the council selects the right candidate.

Council Member Sullivan commented the position requires a very specialized skillset, and felt the council should give itself enough time to get the best fit, even if the City pays double administrative salaries. He noted that Hoy would have time to evaluate their performance under a probationary period.

Chief Baumgart suggested using an on-line application process for both the part-time officers and the city administrator.

Discussion continued on who to include in the hiring process, and agreed to hold a workshop in March to review LMC information packets and gather input, with a tentative schedule to advertise in April, and take applications through mid-May.

**RES. 19-4 APPROVING RENEWAL OF THE JOINT POWERS AGREEMENT BETWEEN
THE CITY AND THE STATE OF MINNESOTA ON BEHALF OF ITS CITY ATTORNEY
AND POLICE DEPARTMENT**

Carlson moved, and Ethen seconded to approve renewal of the Joint Powers Agreement between the City and the State of Minnesota on behalf of the City Prosecuting Attorney and Braham Police Department. Motion carried 5-0.

RENEWAL OF JOINT POWERS AGREEMENT WITH THE BCA

Sullivan moved, and Knowles seconded to approve renewal of the Joint Powers Agreement with the BCA and City on behalf of the Braham Police Department for information access. Motion carried 5-0.

RENEWAL OF COURT SERVICES SUBSCRIBER AGREEMENT

Knowles moved, and Ethen seconded to approve renewal of the Court Services Subscriber Agreement with the City on behalf of the Braham Police Department for access to records. Motion carried 5-0.

Sullivan moved, and Kunshier seconded to adjourn. Motion carried 5-0 Meeting adjourned at 8:05 p.m.

Respectfully Submitted,

Sally A. Hoy
City Administrator