

1. **Call to Order:** Mayor Tracy Tollefson called the meeting to order at 6:00 p.m.
2. **Roll Call:** Council Members Present: Dave Owings, Kimberly Savageau, Patric McCoy; City Clerk Wendy Affield; Public Works Supervisor Andy Olson; City Engineer Kris Carlson.

As Per Sign in Sheet:

- Virtual Attendees: Council Member Justin Schreiber; City Financial Advisor Jason Murray from David Drown & Associates.

3. **Motion to Approve Agenda** – A motion to approve the agenda was made by Dave Owings, seconded by Patric McCoy. All in favor.
Motion Carried.

4. **Department Capital Improvement Proposals**

- a. **Justin Vogel, Police Chief** - Mayor Tollefson said Chief Vogel has already gone through his items during the morning Council meeting, so they will move on to Andy Olson’s items.
- b. **Andy Olson, Public Works Supervisor** – Olson said he would like to discuss the following items, based on timeline:

1. **Snow Pusher Pro (6 – 12 months)** – He said this is an attachment for the new loader and will greatly reduce turnaround time in the cul-de-sacs when removing snow. This would be the last attachment needed for the loader. Owings asked if this item is hard to get due to supply chain issues? Olson said yes, around a nine month wait. *Estimated cost: \$7,360*

2. **Guide Rail for Main Lift Station (6-12 months)** – Olson explained these are guide rails for the main lift station and they hold the pumps inside the lift stations. Olson stated they are nearly rusted through and should be looked at being replaced as soon as possible. The pumps can fall off the rails, which could cause major damage. Carlson said he would recommend these rails and the new flight pumps Olson will be discussing next be put in at the same time. Owings said these issues seem to be more pressing and should just be taken care of right now, paid with Sewer funds. Carlson agreed that these items are a priority. Owings advised having these added to the next regular Council meeting for approval. *Estimated cost: \$4,200*

3. **Two (2) New Flight Pumps for Main Lift Station (1-2 years)** – The next item in his proposal is for two (2) new Flight Pumps for the Main Lift Station; there are three (3) pumps at the main lift station which one (1) is completely rebuilt and the other two (2) have a lot of wear and tear which reduces the flow rate to the ponds. Owings requested this item also be added to the next agenda for approval. *Estimated cost: \$15,471*

4. **2019 F250 Pickup (2-3 years)** – Olson said his current work pickup is only a small F150 which cannot support a V-Boss plow on the front. He said the F250 would be beneficial to clearing snow,

explaining they do not put as many miles on their vehicles as the Police Department, so their vehicles last longer. Olson said his current pickup has some trade-in value left, which will help with the purchase of the F250. Owings asked about the general consensus of keeping the current pickup in case down the road a third (3rd) maintenance employee is hired? Olson agreed and said this is why he chose a two-three (2-3) year timeline for this purchase. Owings said MnDOT could also be contacted in the future in case they have any used F250s for sale. *Estimated cost: \$25,000 - \$30,000*

5. Purchase of new V-Boss Plow (2-3 years) – Olson said the current plow is around ten years old and still works, but it is small and will need replacing soon. He feels having two of these plows on the department's pickups will be very beneficial to snow removal turnaround time. *Estimated cost: \$6,000 - \$8,000*

6. Purchase of new 6-inch Pump for Pond Water Removal (3-5 years) – Olson said this pump is currently forty (40) years old and still works okay, but after a few repairs here and there he feels it is reaching the point where it simply needs to be replaced. *Estimated cost: \$12,195*

7. Purchase of a New Flatbed Trailer (3-5 years) – Olson said his department does not have a flatbed trailer; we share a smaller trailer with the Fire Hall. He said it would be used primarily to haul equipment, branches, and other duties. Owings asked if the small trailer is the one that previously had old Christmas decorations stored in it? Olson said yes. Mayor Tollefson asked if it would truly be a flatbed or more of a dump-style trailer? Olson said he prefers flatbed, as then they can haul equipment around town. She then asked how often he expects it will get used? Olson said he feels that they borrow the small trailer quite often, and if any equipment breaks down, they have to schedule to have it picked up, which costs money and adds up in the end. *Estimated cost: \$6,000 to \$8,000*

8. Water Plant Overhaul (5-10 years) – Olson said this last need will be discussed in more detail by Carlson. Carlson said there have been several issues with the heater and dehumidifier, and so he did some inspections on the whole plant. He said the current state of the plant makes it seem about fifteen (15) years older than it is, such as significant rusting on the tanks and other red flags that need to be addressed. Carlson said due to these issues it is time to start planning for an overhaul of the entire plant. McCoy asked when the current plant was built? Carlson said it was built in 2000, and typically minor rehabs on water plants are done around the twenty-five (25) year mark. However, he feels the current tank might be beyond minor repairs. Affield asked how a new tank would get moved into the building? Carlson said there is a dummy wall they would pull out, or you can replace the roof and lift it up when it is open. He estimated that the cost will be anywhere from two-to-three (2-3) million dollars. Carlson's recommendation would be the City submit for a PFA grant to help pay for the project. He suggested instituting a city-wide user fee instead of a utility rate. Carlson said he also would like to see the plant be brought up to code as there have been updates and changes to certain aspects of a water plant. Owings asked if the building would need to be expanded due to population growth? Carlson said that will need to be looked at and addressed in a facility plan which focuses on twenty (20) year projections. Schreiber asked what an entire new building would cost, and not just the repairs to the inside? Carlson said he would estimate it at two-and-a-half million (\$2.5M) as building costs have gone up. Owings asked if the current location would remain the same, or would it need to be moved if it is expanded? Carlson said the current spot has enough room for any changes or expansion.

- c. **Bob Cuchna, Fire Chief** - Mayor Tollefson said Cuchna is not present, but he did include all of his strategic planning items in the packet for Council to review. She asked Affield what the Fire Department has in their reserves? Affield said they have forty-two thousand, five hundred dollars (\$42,500). Owings asked if the water treatment plant generator is on a lease agreement? Affield

said yes, and it has two more years left. Owings then asked if the original estimate was as high as the Fire Department's estimate of twenty-to-thirty thousand dollars (\$20,000-\$30,000)? Affield said the City had received a ten-thousand-dollar (\$10,000) grant at the time which helped offset the cost. Carlson said a lot depends on the size of the generator. Owings asked to clarify the Fire Hall now needs a bigger one. Carlson said no, the one at the water treatment plant was covered by a government grant due to lease-to-buy incentives. Owings said he feels a new generator would also be a "grantable" item for the Fire Department.

d. Wendy Affield, City Clerk

1. TextMyGov Proposal (6-12 months) – Affield said there have been two recent situations where the immediate-text messaging would have been very beneficial to the residents in getting City information out. She said this type of messaging can be used for several different things, including sending out mowing reminders instead of typing up and mailing out letters which is time consuming. Affield said Johnson provided some numbers and statistics for the City's current email alerts, which shows that not very many people look at them. She said it is much quicker these days for people to receive a home screen notification on their phones, and this program is eligible for ARPA funding. Olson also feels this new messaging service will be beneficial for when they have hydrant repairs or street maintenance projects.

2. New Carpet at City Hall (1-3 years) – Affield said the carpet at City Hall is in rough shape in a few spots, but overall it is okay. She said the most recent estimate had come from Carpet One at just over fourteen thousand dollars (\$14,000), so she is hoping to see that come down a little.

3. New Building for City Hall (5-10 years) – Affield said some day we will grow out of this building and would suggest sharing a building with another department to help reduce the cost. She feels City Hall needs a larger Council Chamber with more seating, handicap accessible entrances, security, and more filing space. Owings asked questions about the City Halls front door. Affield feels it is always difficult to open but seems to be harder lately.

5. Ulteig Engineering 2022 Capital Improvement Plan – Kris Carlson

a. Seal Coating Projects – Escrow \$48,000/Budget \$16,000 (Total \$64,000) – Carlson is happy to announce that the price for this project has stayed consistent and not increased. He said if the City can remain flexible as to when it is completed, then the price will remain the same. The big concern is the crack sealing, as the streets in the Centennial Addition have a lot of cracks needing to be sealed.

b. Repair Portion of 9th Street SE – Carlson said the map on the next page shows the portion of 9th Street SE which was never seal-coated the previous time. The portion of the road that was dug up from the water repair will need to be fixed so the City may want to check with the County and see when they will be in town to do repairs on Parke.

c. 12th Street SE Reconstruction/Resurfacing – Carlson said this is the big-ticket item, with an estimated cost of seven hundred forty thousand (\$740,000) dollars. He is seeing prices stabilize at the moment, but unsure if those prices will come down at all. He said he didn't put a timetable for any of these projects, as it will be up to Council to decide when to start them.

d. Northwest Area Reconstruction – Carlson said this area encompasses sections of the foundations for Pleasantview Ave and Hawley Ave. He said the issue for this section is that there are not

a lot of assessable property due to the railroad, but the fact that Pleasantview Ave is still only gravel it has become a need, but it also may not be a high priority due to low-use. *Estimated cost = \$1.2 Million*

e. Northeast Area Reconstruction – Carlson said this area is north of the railroad and up into the northern part of Hwy 10, and everything east of Parke Ave. He said there are drainage issues in this area, along with aged and failing pavement. *Estimated cost = \$2.37 Million*

f. Southeast Area Reconstruction – Carlson said this area encompasses everything south of 4th Street, east of Parke Ave, down to 9th Street. This section also contains aged or failing street pavement. *Estimated cost = \$2.2 Million*

g. Southside Reconstruction Project – Carlson said this area includes Seter's Circle, Lund Ave, 10th Street, and roads in Centennial Addition which are approaching 30 years old. These streets are also aged or failing. *Estimated cost = \$1.4 Million*

h. Stockwood 3rd Addition Utility & Street Improvement – Carlson said he feels this should be high priority as well. He took the same estimates and plans as from before and updated some of the prices. Overall cost for this project is looking like one-point six million dollars (\$1.6M), but there is a chance that it might come down a little. He said this project would finish out Stockwood Ave up to the Dollar General entrance. Owings asked Affield if there is still a waiting list for the remaining Stockwood lots? Affield said the City is supposed to notify those individuals on the waiting list when the City is ready to sell. Carlson said the biggest concern is providing a ten-ton route out to Hwy 10 during the project, and his recommendation would be to force truck traffic down 2nd Street to Parke Ave, so that trucks have the benefit of the stop light for turning. Affield asked if this project might qualify for grant funding? Carlson said the City can definitely try, and he can also try approaching MnDOT for assistance as there is new leadership in place and they may look at the Hwy 10 entrance situation again. Owings asked if there have been any vehicle accidents at the crossover section by Hwy 10? Carlson said that is something he can look up and dig into. Schreiber asked about the possibility of 7th Street SW being stretched out to connect to County Road 17? Carlson said he only compiled information about existing infrastructure, but as far as he is aware, the conversation about development in that area has stalled. Mayor Tollefson said she is hoping the City can start chipping away at each of these projects and feel it will be nice for residents who live along 12th Street to finally see that completed. Affield recently received paperwork from Kris Carlson regarding Southcreek Addition special assessments, and it shows fifteen thousand, nine hundred ninety dollars (\$15,990) was assessed per lot. Carlson said at the time, assessments were spread evenly across all of the lots out there. However, Affield said the dollar amount was not just for the road, it also included all the water and sewer infrastructure installed. So if 12th Street SE was tarred, the residents should expect to be responsible for a small portion of the cost. Carlson explained when a Developer does a project, they have the right to spread the specials anyway they want, unfortunately residents on 12th St paid the same amount of assessments as those in Southcreek but did not receive a tarred road in front of their property. Owings pointed out this project is also the cheapest on the list. Carlson said overall, he has over-estimated each project just slightly to allow some cushion, but Council can also choose to pare down some of these projects in order to get more accomplished. But he feels a major issue to tackle is the City's drainage issues, and these projects will tackle that.

Affield asked Murray if he would like to talk a little bit about bonding issues regarding these projects? Murray said he would first ask Carlson what he thought might be reasonable assessments for these street repairs? Carlson said we have tried to stay around the ten to fifteen thousand dollars (\$10,000-\$15,000) but that might not be possible these days with the cost of everything. The City usually would try and cover at least twenty percent (20%) of the project. Murray said the reason he asks is

because he tries to run street reconstruction on a shorter term, usually around ten (10) years or less. He said as the upcoming budget meetings roll around if you were going to tackle a smaller street project Council will be looking at around one hundred thousand dollars (\$100,000) in annual debt service to cover the project. Murray said the City has about two hundred fifty thousand dollars (\$250,000) in property tax levies already pledged toward previous debts. He said debt service will be going up in the coming years due to some of the larger projects already completed. Now the job of the Council will most likely be looking at a property tax increase to help offset the costs of these street repairs. He said the question will be how much will residents be responsible for? As we move into budget season, he said Council will need to discuss what they are comfortable with in terms of funding this new debt service. Carlson said he can run some initial assessment costs to see what the numbers would be. Murray was in agreement and said several of the projects could be split 80/20 and help bring down the overall costs considerably. Carlson also mentioned there will be some properties in Southview coming off the tax abatement soon, and that tax income will help too. Murray said they should also see some tax revenue from Monsanto in a few years once the TIF District is decertified. He said the key will be to try and add some of this debt service to the general levy without a significant rate increase. Owings asked what is the most “out of the box option” that could be applied to some of these projects? Murray said it is pretty straightforward in terms of assessments and levies, and the first part will be to understand the tax capacity with all of the new growth in the City. He said Carlson might be able to get creative with the help of MnDOT or some grant options. Mayor Tollefson said there are items on every department’s list which may need to wait in order to get these other projects completed, and in a year or so use the incoming tax revenue to help purchase those items. Affield asked if perhaps 12th Street and one of the other projects were done at the same time would it be cheaper in terms of mobilization? Carlson said that is a possibility, and it all depends on how much the City wants to take on. Murray asked if Affield can contact the County to have them send over any tax capacity numbers they have so far, in order to discuss it further with Council sometime in July prior to budget season. He said these figures will help Council decide how to have Carlson proceed with these projects. Carlson informed Council the County did not receive any bids on the Highway 10/Parke Avenue turning lane project. They will rebid the project at a later time, so it is not expected to be completed until 2023.

6. Parks – Mayor Tollefson said the Park Board Committee has met recently and has come up with the following needs for the City’s parks, but more information will come once budgets talks begin.

a. Johnson Park

- New Equipment (ARPA funds)
- Splash Pad

b. Anstadt Park

- New Equipment or Pollinator Garden with Bench

c. Southview Park

- Swing Set Bay – Escrow \$9,807.03/Budget \$15,000 = \$24,807.03 – Approved on 6/8/22.
- Basketball Court Striping (ARPA)
- Shelter
- Parking Lot

d. Dog Park

- Location
- Fence/Donation

7. Community Center – Escrow \$36,739

- a. Parking Lot – Estimate for 2 Options**
- b. Flooring**
- c. Roof**

8. ARPA Funds – By using the ARPA funds for certain items that are acceptable to the US Treasury could help reduce next year’s budget - \$75,022.26 (waiting for second half payment) –

Savageau asked if this amount is what the City received in total? Affield said no, this is just what has been received already, and the second half payment should be around seventy-three thousand dollars (\$73,000). Mayor Tollefson asked how much has been spent so far, and when it needs to be spent by? Affield said none of the funds have been spent yet, and the City has until 2024 to use them. Owings asked if some of these items should be set as motions for the next regular meeting? Mayor Tollefson said she is hesitant to start spending until they know more during the budget meetings. Affield said any funds spent towards Police Department, Fire Department, Parks, etc. will come from the General Fund so in remembering this, Council will have more money to spend on other items. She feels it would be better to spend some of the ARPA funds on each department so that everyone benefits from the money. Affield also reminded Council what Auditor Brian Stavenger mentioned concerning increasing water revenue, if ARPA funds are used to pay for some water department expenses than maybe an increase can wait another year. Affield discussed the possibility of using some funds to update the equipment at Johnson Park and Anstadt Park. Owings asked if these funds are a “one-time” thing? Affield said yes, funds need to be spent by 2024 and whatever projects are started with the funds need to be completed by 2026. Owings asked if the City had to apply for these funds? Affield said yes. He then asked if these funds affect any LGA funding? Affield and Carlson both said no, and Carlson said these are considered separate. Schreiber recalled the auditors informing Council they had quite a bit in reserves, and anything beyond a “six-month” reserve could be set aside for capital improvements. He feels those funds should be factored in as well in order to help with the cost of any projects. Savageau agreed and said she sees this being done at the County. Affield said there are extra funds from Garbage/Recycling that can be used for projects. Schreiber also mentioned the Water Tower funds being brought in will likely exceed the bond payment, so there might be extra there also. Affield said this bond cannot be paid off early until after a certain number of years, and because it is a specific item on utility bills those funds really need to be used specifically for that bond payment. She did also point out there are left over funds from the City’s Stockwood transformer credit in the amount of forty-five thousand, eight hundred seventy-three dollars (\$45,873) which can be put towards a project or item purchased.

- a. TextMyGov Proposal (\$4,800)**
- b. Water Plant Generator Lease Pay Off (\$6543.89 x 2 years = \$13,087.78)**
- c. Portion of Police Officer Vehicle (to be decided)**
- d. Fire Department Thermal Imager (\$9,000)**
- e. Striping of Basketball Court (\$2,100)**
- f. Park Equipment (to be decided)**
- g. Essential Workers to Receive Premium Pay (to be decided)**


9. Open Forum - **this is the time for the General Public to address the Council regarding this topic. The Open Forum shall not be used to make political statements, political endorsements or for any political campaign purposes.*

10. Adjournment – A motion was made by Kimberly Savageau to close the Strategic Planning Committee meeting at 7:10 p.m., seconded by Patric McCoy. All in favor.

Motion Carried.



Tracy Tollefson, Mayor



Wendy Affield, City Clerk



Heather Johnson, Administrative Assist.

June 8, 2022 Strategic Planning Committee Meeting Minutes