

**Hector City Council
Workshop
Tuesday, December 10, 2018 at 5:30 p.m.**

Workshop began at 5:40 p.m.

Members present: Janis Weikle, Jeff Heerdt, Doug Best and Amy Hollan.

Members absent: Penny Kandt

Others in attendance: Officer Zach Pierce, Clifton Allen and Jeremy Boots from Moore Engineering,

We reviewed the options for the water & sewer rates for 2019. Brad Falteysek from AEM suggested rather than doing a large increase all at once, it may be better to do incremental increases over the next three to five years. The recommendation is 7% sewer and 11% water rate increase. Brad will provide examples.

We reviewed the budget and made additional adjustments bringing the budget down to a satisfactory number. There has been no response to the 9.1% tax levy.

The purchase of the airport house will come from the general fund. It was budgeted for 2019. However, we have funds available to make the purchase in 2018.

We discussed accepting the feasibility report/task order from Moore Engineering regarding the surface, curb and gutter of Sampson 3rd Addition/Cedar Ave. Plans are to eliminate Bryant Avenue from the project. January 7, 2019 will be advertised for the Public Hearing for the Sampson 3rd Addition/Cedar surfacing, curb and gutter. We would also like to piggy back the recommended repair of the dip in Cedar Ave E. with this project.

Moore Engineering is looking for the Task Order Agreement (EJCDC) to be signed. Includes insurance and liability limits. The numbers for each property tax owner was emailed a couple months' prior (believe it was August). This will be a large expense to the city with the majority of the property owned by the EDA. Action Item: Andrea will re-send the property owner expense information.

Officer Pierce reported the new squad is in and ready for pick-up the first of the year. He provided two bids for review to have the new squad outfitted. Bid #1 was from DTM out of Bryce, MN (gets parts out of Oakdale) in the amount of \$7,876.68 and COPS out of Hutchinson, MN in the amount of \$9,120.56. Additional cost for either option would be \$4,454.50 which covers Caprice removal (\$217.50), Creative Details (\$350) for graphics and Baycom (\$3,887) for squad computer. The difference between Class A and Class B is the lights setup. Outside the vehicle is Class A. Inside the vehicle is Class B (windshield and back window). \$180 more for Class B. Both companies have been good to work with.

Workshop discussion continued with discussion on water & sewer rate increases. The actual amount of increase (incorrectly reported earlier in minutes) is sewer of 11% and water of 6%.

It will take about three years to recoup funds to zero.

Mayor noted there was a pay rate increase budgeted for 3% across the board for staff in 2018. No employees received an increase in 2018 with the exception of Kurt Kozel. Council reviewed the proposed budget of rates for 2019.

**Truth in Taxation Hearing
December 10, 2018 at 6:00 p.m.
Hector Community Center**

The start of this meeting was delayed due to Brad Falteysek from AEM not arrived yet.

The Truth in Taxation Hearing began at 6:09 p.m.

- Levy budget 2018 was just under \$700,000
- Levy budget for 2019 was \$736,000 – just over \$40K increase over last year or 5.9% increase in levy.
- L J budgeted 100% - \$9,000 increase over last year.
- Salaries budgeted on average of 3% increase
- Some salary adjustments noted for job changes.
- \$180,000 transfer to capital fund for capital purchases
- Employee health insurance premiums are paid at 100% plus an HSA contribution of around \$100/month.

Action Item: Insurance premium coverage by city will be reviewed for 2020.

- Tax rate is calculated on 1% of your taxable value of property.
- In 2018 the tax rate is 151.2%. In 2019 with 5.9% increase to 157.8%.
- Total tax capacity for the city went to \$462,000 in 2019, up from \$454,000 in 2018.
- Total tax rate increase of 3.9%.
- Also have a rural service district (approx. 6 parcels) taxed at a different rate than urban tax rate of 48.9%, just under 2% increase from last year.
- Tax rate is in the median compared to other county cities.
- About an 8% in total revenue. Operating expenditures increased about 5.4%.
- Plan is to keep the levy at approximately 5.9%
- Water & sewer funds are both in the deficit. Revenues are not meeting what was budgeted for. Action Item: The suggested increase in rates for water & sewer is proposed effective February 1, 2019.
- Capital purchases for 2021-2023 will be filled and increased each year as we get closer.
- Heater and pumps for pool may need to be moved from 2018 to 2019. We purchased the heaters but the pumps and construction have not been finalized.
- Money for the Cedar Ave/Sampson 3rd Addition street, curb & gutter expense could be paid with capital fund. EDA portion is just over \$100,000 for the assessments.

There being no questions from the residents, this portion of the hearing is concluded at 6:40 p.m.

Hector City Council Meeting
Tuesday, December 10, 2018 at 7:00 p.m.
Hector Community Center

Meeting was called to order at 7:00 p.m. followed by the Pledge of Allegiance.

Members in attendance: Janis Weikle, Amy Hollan, Doug Best, Jeff Heerdt

Members absent: Penny Kandt

Others in attendance:

Agenda changes:

- Andrew Wegscheid is unable to attend but provided a letter regarding the Waiver Liability, for review.
- Resolution 2018-53 is to Approve the League of MN Cities Waiver Liability for 2019
- Emergency Services add #4. Resignation Letter
- Emergency Services add #5. Propose internal promotion
- Emergency Services add #6. Squad car proposals
- Unfinished business #1. Al Kirgiss will not be in attendance. Project is now scheduled for spring.
- Residents addressing council #1. Steve Squibb
- Airport addition of House.

On motion by CM Best, seconded by CM Hollan and unanimously carried, agenda with changes was approved.

Consent agenda including 5.01 Approve Proposed Council Minutes from November 13, 2018 Workshop and Council meeting; and 5.02 Approval of Payables & Additions.

On motion by CM Heerdt, seconded by CM Best and unanimously carried, consent agenda was approved.

Addressing the council: Brad Falteysek presented during the Truth in Taxation Hearing.

Question was posed by Mike Jacoby regarding the continuation of AEM services. When search for City Administrator, it was the intention to have the City Administrator take over the budget/financial portion eliminating the AEM monthly expense. At this time AEM will continue providing us the services. The City Administrator does not have the time to invest in this part of the job duties and this will continue to be reviewed.

Jeremy Boots of Moore Engineering prepared a preliminary engineering report in July 2018 for Project # 1792A, and has been informed the city wishes to remove the Bryant Avenue portion of the project and continue with Cedar Ave/Sampson Circle. Looking for a resolution to accept the preliminary engineering report and order an informational hearing to get public input. This

is scheduled for January 7, 2019. Steve Squibb inquired as to curbing being drive-over. We are looking at regular curb – to be determined if entire footage will be regular curbing.

On motion by CM Best, seconded by CM Hollan and unanimously approved, Resolution 2018-52 Receiving Feasibility Report and Calling Hearing on Improvement for 7:00 p.m. on Monday, January 7, 2019 at the Hector Community Center, is adopted.

The Task Order document from Moore Engineering will be forwarded to the city attorney for review. Action Item: Add to January 2019 agenda.

Admin. Aukrust next presented the letter from Andy Wegscheid regarding the Liability Waiver Form to waive or not waive the statutory tort limits. On motion by CM Heerdt, seconded by CM Hollan and unanimously approved, the city does not waive the monetary limits.

Steve Squibb presented an update on the tiling in his back yard. Contrary to rumors, the work has not yet been done and Steve is expecting the final easement document in the next couple of weeks to present to the council. The city has made it clear they want no part in paying for this tiling. As a result, the easement is being drafted and Steve is notifying the city that the city will not have a right to allow others to tie onto it. The easement parties agreeing to pay for it will only have the authority. The easement will be provided with a hand-drawn map but the final easement filed will have a gps drafted map of all the tile locations and all the property involved.

On motion by CM Best, seconded by CM Hollan and unanimously carried, Resolution 2018-46 Establishing 2019 Labor Rates and Policies for City Equipment and Supplies, is adopted.

On motion by CM Hollan, seconded by CM Best and unanimously carried, Resolution 2018-47 Adopting the Final 2018 Tax Levy, Collectible in 2019, for the City of Hector, Minnesota and Ordering the Levy to be Certified with the Renville County Auditor, is adopted.

On motion by CM Heerdt, seconded by CM Hollan and unanimously carried, Resolution 2018-48 City Authorizations for 2019, is adopted.

On motion by CM Best, seconded by CM Hollan and unanimously carried, Resolution 2018-49 Adopting the 2019 Hector Municipal Budget, is adopted.

On motion by CM Heerdt, seconded by CM Hollan and unanimously carried, Resolution 2018-50 Establishing City Charges and Fees for City Services and Permits for 2019, is adopted.

On motion by CM Heerdt, seconded by CM Best and unanimously carried, Resolution 2018-53 Approving League of MN Cities Waiver of Liability Form, is adopted.

Administration:

- Mayor would like to purchase locked bulletin board(s) for post office and library entrances for city documents. On motion by CM Heerdt, seconded by CM Hollan and unanimously carried, it is approved up to \$400 for the purchase of two.
- Line items in the budget for uniforms is different than the personnel manual. This will require additional review before presenting to council for action. This involves the public works and water/sewer departments and does not include the police department which has a different budget.

Airport

- The by-laws will be presented at the January 2019 council meeting. It was suggested by Nic H. to add a notation that at the end of the 8-year term, if there are no additional applications, then the person going off the committee may elect to stay on the committee.
- On motion by CM Heerdt, seconded by CM Best and unanimously carried, Admin. Aukrust is authorized to post for application acceptance thru 12/31/2018 from individuals for the Airport Advisory Committee, is approved.
- Bollig met with the council and reviewed the options for the house at the airport. Option 1 is to have the house removed; or Option 2 – If the house stays, the city must own the house. Appraisal came in at \$76,000 which includes the garage and septic system.
- On motion by CM Heerdt, seconded by CM Best and unanimously carried, Resolution 2018-51 To Approve the Transfer of Personal Property of house, garage a septic system, in the amount of \$76,000 from Edgar & Constance Newberg to the City of Hector, is adopted.

Cemetery – nothing to report

EDA

- Working on criteria/specifics for the EDA lots on Sampson Circle.

Emergency Services

- Many daytime calls have utilized Mr. Rodmyre fully.
- Police – two proposals for new squad car preparation. Complete setup cost for 2019 squad car from DTM Fleet Service, Bryce MN (parts purchased from Emergency Automotive Tech. in Oakdale, MN) and also COPS out of Hutchinson, MN
DTM, Class A is \$5,905.18 parts, \$1,252.00 install and \$323.00 auto start
DTM, Class B is \$6,084.18 parts, \$1,252.00 install and \$323.00 auto start
COPS, Class A is \$6,598.16 parts, \$2,150.00 install and \$0.00 auto start
COPS, Class B is \$6,970.56 parts, \$2,150.00 install and \$0.00 auto start
Additional expense of \$217.50 for Caprice removal, \$350 Creative Details and \$3,887 Baycom Squad computer.
*Class A is lights mounted on outside of vehicle.
*Class B is lights mounted inside the vehicle.

- Total bid including 2019 SUV
DTM Class A - \$40,140.36
DTM Class B - \$40,319.36
COPS Class A – 41,190.84
COPS Class B - \$41,563.24

On motion by CM Best, seconded by CM Hollan and unanimously carried, it is approved to accept DTM Class B bid including \$6,084.18 parts from EATI, \$1,252.00 install and \$323.00 auto start.

- Car came in last week and will be picked up right after January 1st – we had budgeted \$45,000 for car and \$15-16K to outfit the car. Well under budget.
- A letter of resignation was read from Interim Police Chief Doug Best resigning effective 12/31/2018 as Interim Police Chief. Doug will remain on the City of Hector police force as a part-time police officer. On motion by CM Hollan, seconded by CM Heerdt and unanimously approved, the letter of resignation is accepted. CM Best abstained from the vote.
- On motion by Mayor Weikle, seconded by CM Hollan and unanimously carried, the Hector City Council promotes Zachary Pierce to Chief of Police for the City of Hector effective January 1, 2019 with a rate increase to \$27.00/hour effective at that time.

Library – nothing to report

Public Works

- Have received positive feedback with the new hire of Ken Rodmyre.

Unfinished Business

- The Colfax alley tile intake will be done in the spring of 2019.

Resident Marlys Hagstrom commented she does not feel \$200 is enough to cover the clothing allowance for city workers. The \$200 barely covers a pair of steel toed boots. Council will take this under advisement. Marlys also commended Doug on the job he has done with the police department, and also added Zach is a positive addition.

Admin. Aukrust reported on a tax rebate the city was eligible for on the water tower project that was neglected to apply for. The paperwork was submitted by Aukrust and we received \$22,920.74 in funds.

On motion by CM Heerdt, seconded by CM Hollan, meeting was adjourned at 8:02 p.m.

Respectfully submitted by:



Andrea Aukrust, City Administrator