

CITY OF FOLEY, MINNESOTA  
CITY COUNCIL MEETING – August 17, 2021

The Foley City Council held its regular meeting on August 17, 2021, at 5:30 p.m. at the Foley City Hall.

Members Present: Mayor Gerard Bettendorf, Councilmembers Jeff Gondeck, Rosalie Musachio, Gary Swanson, and Jack Brosh.

Members Absent: None

The pledge of allegiance was recited.

Motion by Mayor Bettendorf to move the Fiber Project discussion ahead of the budget discussion, seconded by Gondeck.

Motion carried unanimous.

Motion by Swanson, seconded by Gondeck, to approve the agenda as amended. Motion carried, unanimous.

**Fiber Project Discussion**

Mark Pappenfus, Public Works Director, addressed the council. Midco says that all of Foley is capable of high internet speeds (100 Mbps download and 50 Mbps uploads) and that Foley does have gig capability. Discussion followed. Benton County Board member Jared Gapinski said that the internet speed numbers need to be proven as that speed may not be the same for all residents. Sarah Brunn, City Administrator, told the council that Foley currently has Midco and Century Link in town as internet providers. The provider city staff had been working with for the fiber project is Arvig. Brunn indicated some good speed is available, but the consistency is a concern. Gapinski suggested getting more information from Finley Engineering to study the broadband issue. That's what Benton County is doing. Discussion followed.

Swanson asked Gapinski if the county was still willing to help the city to get set up with fiber. Gapinski confirmed that the county was willing to assist. Gondeck asked if county residents who are currently not able to get internet or who are undeserved would take priority. Gapinski said yes.

Discussion followed regarding high speed internet. Individual customers and businesses can pay providers more to ensure faster internet speeds.

Brunn updated the council on where the city stands with Arvig. They are still interested in the conduit if the council wants to still do it. They looked at the map with the city locations and didn't have any concerns. They are working through figures for the 14 locations. They offered to give the city conduit and pedestals if we wanted it – the city would just be responsible for install. Not sure how it would affect ownership. Arvig would give City six strands of dedicated fiber. More discussion followed.

Motion by Bettendorf, seconded by Gondeck, to proceed with plans that only included the sewer force main without the fiber line and to continue to work with Benton County on the fiber issue.

Motion carried, unanimous.

## **Discussion on the 2022 Budget**

Brunn gave an overview of the preliminary 2022 budget to the council. The investments the city has had for years have historically done well. There are fluctuations – not as much in earnings compared to previous years. We are limited to what we can invest in because they are public funds. We like to keep a certain amount of investments because of our limited tax base and the affect that can have on a credit review process.

Brunn gave an update on the city's current debt. She reminded the council of the updated payment schedule. Two bonds were refinanced into one to help reduce our levy dollars. We are working on what our options are for future capital projects. You have to levy for your debt accordingly. The city is doing well with good interest rates on the current bonds.

Brunn gave an overview on the preliminary operational budget for 2022. With the current numbers, the budget would require 5.83% levy increase. She explained that the preliminary number was a little higher than usual. There were significant evaluation changes in property values because of what the housing market is doing. Insurance rates are still in question because of COVID. It may take another month or two before staff has those numbers.

The biggest operational item is staffing and insurance. Brunn gave an overview for the council, highlighting some budget items including energy costs, maintenance items, state aid increases...etc... Brunn asked the council for direction on the contact for deed payment – there is no levy increase to account for this payment. We could pay from reserves this year and hopefully future budget years will allow for more levy dollars. Discussion followed as Brunn listed other options for the council in regards to the payment and which funds staff could draw from. Discussion followed. Brunn explained that the city has cash reserves and an expendable trust fund. The council would need to decide which is the most appropriate fund. Brunn also explained that COLA is currently 3% for non-union employees. For union employees, the increase would be based on the contract. After additional discussion, the council directed staff to use the EDA fund to make the payment.

The budget discussion then turned to the capital improvement plan, including the expenditure of \$20,000 for new playground equipment. Discussion followed with the council deciding to delay the purchase of new playground equipment for one year. This reduced the preliminary levy to 3.97%.

Brunn also addressed the council regarding the possibility of raising the price of admission for the pool as recommended by staff and the pool manager. Discussion followed with the council agreeing to increase the pool admission for the 2022 season to \$5 for adults and \$4 for children. This is a \$1 increase for each over 2021 admission prices.

Brunn addressed the council regarding changing the water/sewer billing from quarterly to monthly. It is unclear at this time the exact project costs until the wastewater project is completed and the new system is up and running. Brunn explained that the average income for residents in Foley is too high, so the city does not qualify for a project loan for longer than 20 years. This will increase our rates more because the city will have less time to pay the funds back. The proposed new rates in front of the council will not get the rates to exactly where they need to be, but it will give us a good start. We are still waiting on bids for the project. We also still need to work through how we will charge commercial properties and apartments. These will be charged differently from residential properties. Our goal is to start getting residents used to paying monthly instead of quarterly. Discussion followed.

Musachio asked if the new rates would include incentives for residents to conserve water. Brunn explained that Minnesota Rural Water did not recommend instituting conservation rates at this time. It is something we can look at as we move forward. Discussion followed.

Brunn also informed the council that the Police Department budget was currently running on an expired contract for union employees. This will stay the same until the union approaches the city to negotiate. Discussion followed.

Brunn also asked the council for direction on delinquent water/sewer accounts. Because the eviction moratorium was extended, we are not sure we can legally disconnect water service. We can assess delinquent portions and notify the property owners that we will certify to property taxes. This will require a public hearing.

Brosh asked how moving to a monthly billing will change delinquency. Brunn explained that the city would do shut off procedures more frequently. Staff would prepare to move to monthly billing beginning Jan. 1. The council was in agreement and directed staff to move toward certification for delinquent water accounts this year and implementing monthly billing starting in 2022.

Motion by Gondeck, seconded to Swanson, to adjourn.

Motion carried, unanimous.

Meeting adjourned at 6:47 p.m.



---

Sarah A. Brunn, Administrator