

CITY OF FOLEY, MINNESOTA  
CITY COUNCIL MEETING – June 7, 2022

The Foley City Council held a special council meeting on June 7, 2022, at 5:30 p.m. at the Foley City Hall.

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

Members Absent: None

The pledge of allegiance was recited.

Motion by Gondeck, seconded by Swanson, to approve the agenda.

Motion carried, unanimous.

Motion by Gondeck, seconded by Bettendorf, to approve the consent agenda

Musachio asked if we were approving the Juneteenth holiday for non-union employees in the consent agenda.

Sarah Brunn, city administrator, explained that the holiday was already in the contract for the union employees.

Consent Agenda:

- Approve minutes of May 3, 2022.
- Approve minutes of May 20, 2022.
- Adopt Resolution #2022-17 Appointing Election Judges.
- Approve hiring of seasonal employees for public works and pool.
- Approve use of streets by Foley Civic Group for Foley Fun Days 2022.
- Approve appointment of Jonathan Brenny to Planning Commission and EDA.
- Approve appointment of Mayor Gerard Bettendorf to EDA.
- Approve hiring of Jason Norten, part-time police officer, contingent on background.
- Approve updated police policies, Confidential Informants Policy.
- Approve updated Emergency Operations Plan – required bi-annual review.
- Accept resignation of part-time police officer Cory Slipka.
- Approve union contract thru December 31, 2024.
- Approve increase in part-time police officer wage to PG 6 Minimum (Currently \$23.39/hr.) effective June 12, 2022.
- Approve adding Juneteenth as floating holiday for non-union employees.
- Approve payment of bills.

Motion carried, unanimous.

### **Public Hearing – Liquor License Renewals**

At 5:32 p.m., Mayor Bettendorf recessed the regular council meeting to conduct a public hearing on liquor licenses.

No one spoke.

Bettendorf reconvened the regular council meeting at 5:33 p.m.

Motion by Swanson, seconded by Gondeck, to approve the liquor licenses for 2022:

- On Sale Liquor: Mr. Jim’s, Foley American Legion, and Stone Creek
- Sunday On Sale Liquor: Mr. Jim’s, Foley American Legion, and Stone Creek
- Off Sale Liquor: Coborn’s Liquor, Foley American Legion, and Super Spirits
- 3.2 Off Sale: Coborn’s Inc, Little Dukes
- Non-enclosed Premises On Sale Liquor: Foley American Legion, Stone Creek and Mr. Jim’s
- Temporary Liquor Licenses:
  - Foley Lion’s Club – to be used for Foley Fun Days, June 20-22, 2022
  - St. John’s Church, 621 Dewey Street, to be used July 17, 2022
  - Foley Chamber of Commerce, 329 Oak Drive, to be used for Oktoberfest on Sept. 17, 2022

Motion carried, unanimous.

### **Approve Tobacco Licenses**

Bettendorf asked for a motion to approve the tobacco licenses.

Motion by Gondeck, seconded by Swanson to approve the Tobacco licenses.

- Brenny Oil
- Casey’s Retail Co #1813
- Coborn’s Liquor
- Coborn’s Grocery Store
- Little Dukes
- Speedway
- Super Spirits
- J-Mart

Gondeck asked Brunn if staff ever heard from Dollar General regarding their tobacco renewal. Brunn confirmed that staff did not hear back from them after several attempts.

Motion carried, unanimous.

### **Consider closing of 7<sup>th</sup> Avenue for Foley Fun Days Car Show on June 21, 2022, Foley Fun Days**

Jennifer Siemers, 69 Lone Ridge Lane, addressed the council and asked for approval to close 7<sup>th</sup> Avenue between Dewey and John Street in case there is overflow from the car show. Every year the show has gotten a little bigger and needs more parking for cars. Discussion and questions followed.

Motion by Gondeck, seconded by Swanson, to approve closing of 7<sup>th</sup> Avenue between Dewey and John Street between the hours of 4 p.m. and 8 p.m. on June 21 for the Foley Fun Days Car Show.

Motion carried, unanimous.

### **2021 Audit Report – Schlenner & Wenner**

Ashley Meagher from Schlenner & Wenner gave an overview of the audit report for 2021 to the council. Overall, the audit went smoothly and there is a good working relationship with staff. Nothing unusual in the transaction review. The only significant estimates are those related to net pension asset and liability the same as in previous years and is recorded by every government entity in the state. There was only one proposed audit adjustment under control and compliance. She also noted a lack of segregation of duties which is common in a small city.

Meagher provided a more detailed overview of the numbers by referring to the report in the council's packet. The general fund increased overall. She noted a \$340,000 transfer out that was budgeted for. Revenues for the general funds were similar to the previous year and saw an increase of \$53,000. There was a major change of the inter-governmental state funds with \$47,000 in small cities assistance. Expenditures of the general fund saw an increase of \$7,600 in capital outlay. A lot of the outlay was reimbursed by CARE Act dollars. In the unassigned fund balance, the spendable portion of your spend balance of the general fund is a measure that each city uses of how the spendable portion was up 167%. This was a slight decrease but nothing concerning. Cash for the general fund increased by \$178,000. A note of \$146,000 of cash is from the American Rescue Fund. This money has not been spent yet. The city's remaining government funds are noted. The Fire Fund increased by \$188,000. Equipment purchases in 2021 – capital purchases of equipment. The intention is the fund builds up over time and then is spent. No significant changes. Cash for those funds on a whole increased \$65,000 over the last year. We had a reclassification of a fund to debt service so that fluctuates the cash between those two bonds.

Proprietary Funds – Water funds increased by \$219,000 with an overall decrease in expenses. Similar activity from year to year. Sewer funds saw an overall increase of \$320,000. There was a decrease in expenses due to wastewater expenses. We don't consider those assets of the city. There was an overall increase in revenues as well as there. Cash for those two funds are \$4.6 million with decreasing sewer funds and increasing of the water funds. Assets of \$549,000 - increased with capital purchases and pension assets increased by \$163,000. Overall, liabilities decreased. Long term debt of the city has increased.

Discussion and questions followed.

Motion by Swanson, seconded by Gondeck, to accept the auditor's report.

Motion carried, unanimous.

### **Discussion on removing the sprinkler sewer charge**

Brunn explained how Public Works identified which properties currently have sprinklers. Staff compared their winter to summer usage and looked at other data to determine an average monthly use, assuming four months out of the year will include lawn sprinklers. Staff is trying to get a rough idea of the sprinkler costs assuming all the people currently on the list would want to install a separate meter. A lot will also depend on the weather and how much they will need to water their yard. There are most

likely more sprinkler properties out there than currently listed. Current estimates on lost revenue are projected to be \$21,000. Discussion and questions followed.

Bettendorf said that the concern he had was the impact on the city's sewer revenues if the sewer charges are waved or reduced. It could mean the city would need to bump the water rates to cover for that loss.

Musachio stated that water conservation is important. It's expensive water to put on the ground. She also expressed support for rain barrel systems.

Brosh disagreed saying that the revenue lost wouldn't have that much of an impact and doubted there would be a line of people opting to hook up their sprinklers to a separate meter.

Swanson agreed stating he didn't think it would a significant impact on revenues.

Brunn stressed that the estimated \$21,000 amount are what the sprinklers are currently being charged. If you remove that revenue, it would need to be made up somewhere. She reminded the council that revenue is still needed to pay for the debt service and annual operating costs.

Gondeck stated that he believed there are other alternatives to using treated water for grass. He also expressed concern over the potential loss of revenue. He recommended finding a half way approach.

Discussion followed.

Motion by Brosh, seconded by Gondeck, to table the discussion until the July meeting.

Motion carried with Gondeck, Bettendorf, Brosh and Swanson voting 'Aye' and Musachio voting 'Nay.'

Brunn recommended that if the council decided to move forward with a sprinkler option that a solid policy of what would be allowed/not allowed would need to be developed.

### **Downtown Parking – Jason Hurst**

Hurst was not present.

### **Mayor's Open Forum**

Deb Olson, 600 Dewey Street, expressed concern regarding the parking and foot traffic during the car show.

### **Department Reports**

#### **Police Department**

Chief Katie McMillin gave an overview of crime stats for the month of May. There were 381 calls for service – driving conduct was busy due to the temporary stop signs in the construction area; tall grass letters were sent out; and miscellaneous calls for assistance to other agencies is up. The Bike Rodeo is scheduled for June 18 from 10 a.m. – 1 p.m. There are 75 kids registered for the event. July 7 is the

root beer social at city hall. She is also working on a background check for a new hire. Discussion and questions followed.

### **City Attorney**

Ashely Bukowski from Rinke Noonan introduced herself to the council. She will be sitting in to discuss a potential real estate contract later on the agenda.

### **City Engineer**

Jarod Griffith gave updates on several projects. The engineers have completed the wetlands delineation report for the industrial park. It hasn't been submitted to the county yet, but will be after the discussion later in the meeting. The area of concern has been reduced. Staff will need to mitigate for the construction project at the cost of \$187,000. It is possible to reduce this area in the future with the addition of wetland banks in the area. This is something that will be discussed later in the meeting. Discussion and questions followed.

Brunn explained that the city does have an option agreement on the property and it is something that can be discussed regarding the agreement price in a closed session.

Griffith also gave an update on the Hwy 23 project. Staff submitted the change order that reduced the sanitary portion sewer. The contractor has requested compensation for the altered bid due to the change in the work. What they submitted was rejected by MNDot. After the contractor provides the proper documents, the engineers will review with staff. We've looked at their reasoning for their increase based on their unit price. Nothing yet has been submitted at this time. We just wanted to make you aware of the potential cost increase. There is no action needed at this time.

Brunn added that staff has been consulting with the city attorney to see if there are other options. We still have to get an official accepted proposal that MNDot has yet to receive. We did enter a contract when we signed the MNDot agreement. We submitted a change order because of the significant increase in cost. We reviewed and approved the initial estimate. Discussion and questions followed.

### **Public Works and Fire Department**

Mark Pappenfus directed the council to their packets regarding the CIP item for purchase, a used street sweeper. The maintenance required on the current sweeper is no longer feasible. This used sweeper has been traded in and if we're interested in purchasing it we will need to move quickly. Discussion and questions followed.

Motion by Brosh, seconded by Gondeck, to approve buying the new sweeper and trading in the old one.

Motion carried, unanimous.

Pappenfus gave an overview of other projects. The park shelters are open and the pool opens tomorrow. We're getting ready for Fun Days.

Discussion and questions regarding the open hours of the compost site and the availability of staff to extend the open hours. Pappenfus added that there is money in the budget in install an automatic gate at some point.

## **Administration**

Sarah Brunn gave an overview to the council. Election Day judges are approved and scheduled for training. The pool opens tomorrow and we're looking good on staffing. There will be some minor adjustments to the schedule this weekend due to swimming instructor training. The pool manager is Emma Brenny. Water shut offs for delinquency are also tomorrow.

## **Old Business**

Brunn gave an overview of the wastewater project. We have an updated connection fee. What this means is we have a connection date now identified in 2023- later than the first estimate. We had to update the fees and we had to pay some of the fixed debt service upfront. The additional is regarding indexing. There's a portion that's fixed debt and then indexing is a calculation of inflation that added additional fees into the pool capacity. Not much we can do about the cost. It is calculated on the actual date we connect. Questions and discussion followed.

## **New Business**

No new business.

## **Discussion on Option Agreement Price**

Bettendorf closed the meeting at 7:00 p.m. to discuss the option agreement price on PID 020049300 & PID 020050000.

The regular council meeting was reconvened at 7:12 p.m.

The council directed staff to meet with the party and report back.

Motion by Musachio, seconded by Gondeck, to adjourn.

Motion carried, unanimous.

Meeting adjourned at 7:12 p.m.



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Sarah A. Brunn, Administrator  
(Minutes By: Sara- Judson Brown, Administrative Assistant)