

CITY OF FOLEY, MINNESOTA  
CITY COUNCIL MEETING – December 3, 2024

The Foley City Council held its regular meeting on Dec. 3, 2024, at 5:30 p.m. at Foley City Hall.

Members Present: Mayor Jack Brosh, Councilmembers Jeff Gondeck, Deb Mathiowetz, Gary Swanson, and Brandon Voit.

Members Absent: None

Mayor Brosh called the meeting to order at 5:30 p.m.

The pledge of allegiance was recited.

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

Motion carried, unanimous.

Motion by Gondeck, seconded by Mathiowetz, to approve the consent agenda.

- Approve minutes of November 12<sup>th</sup>, 2024.
- Approve minutes of November 13<sup>th</sup>, 2024 Workshop Session.
- Approve CSAH 43 Construction Agreement (2025 Improvements).
- Approve LELS Police Contract (2025-2027).
- Approve personnel policy updates.
- Approve fire department officers.
- Adopt Resolution #2024-28 Accepting Donation.
- Approve payment of bills.

Motion carried, unanimous.

**Wastewater Regionalization Project Update**

Mark Pappenfus, Director of Public Works gave an overview to the council. The system is still in manual mode with no automatic programming yet. There are still some punch list items to be resolved. The city pumped 4 million gallons last month. Questions and discussion followed.

Swanson asked if the new system will help to eliminate the wastewater pond odor that the city usually experiences in the spring. Pappenfus said it should help to reduce it. The Birch pond is going away. Public Works will know more as they use the system.

**Winter Sewer Rate Ordinance**

Sarah Brunn, City Administrator, gave an overview of Ordinance #491 – Winter Sewer Rates – Average of January – April Adjustment. She explained the language in the ordinance changes it from using January as the winter lock rate to an average of January, February, March, and April as the lock rate during the summer months. She explained that since staff does not yet have a full year of numbers in the new software that they are unable to estimate how revenue might change

with the new lock rate averages. She did mention that a 4-month average would offer residents better protection against drastic usage changes.

Swanson expressed frustration with the winter sewer rate and stated he wished the council had never passed it. He said he'd like to cancel the winter sewer rate.

Discussion and questions followed. Mathiowetz expressed support to reverse the winter sewer rate. Voit disagreed stating the point of the winter rate was to make sure the city wasn't charging people for sewer services they weren't using. Water from sprinklers and pools isn't using the sewer. Residents should only have to pay for the water under those circumstances.

Swanson stated the only way to fix it is for residents to pay for a separate water meter to track outdoor water use. Brosh asked Ashley Bukowski, City Attorney, to restate the concern previously discussed regarding residents paying for a second outdoor meter. Bukowski explained the concern was a matter of equity – not all residents would be able to afford the second meter install. Discussion and questions followed. Bukowski stated that based on the staff research the proposed ordinance is the best option rather than separate meter installations.

Voit asked Brunn if the revenue shortages and the proposed water/sewer rate increases were solely the result of the winter sewer rate. Brunn stated not entirely. The revenue shortages are a multi-part problem – wet summer, losing high-water commercial users and the winter sewer rate program. The yearly rate increases are also standard to try and keep up with revenues to pay for other upcoming projects the city needs/wants to address such as the proposed 2025 road project. Voit asked if the city would still be considering rate increases even without the winter sewer rate. Brunn confirmed yes. Questions and discussion continued.

Motion by Mathiowetz, seconded by Gondeck to approve Ordinance #491 Winter Sewer Rates – Average of Jan – April Adjustment.

Motion carried with Gondeck, Mathiowetz, and Voit voting yes. Swanson and Brosh voting no.

Bukowski asked the council to vote on the summary publication for the newspaper. The vote will require a 4-5 vote.

Motion by Gondeck, seconded by Voit, to approve the summary publication.

Motion carried, unanimous.

### **Public Hearing – 2025 Fee Schedule**

Brosh closed the regular meeting at 6:02 p.m. for the public hearing on the 2025 Fee Schedule.

Debra Olson, 600 Dewey Street, read a letter from Sarah M (letter writer was not formally identified by Olson at the podium). The letter writer was against the fee increases and asked why a rate study wasn't done first. People were penalized when the minimum number of gallons were reduced from 2,500 gallons to 2,000 gallons. Other cities separate meters for summer time watering use. The letter writer expressed support for separate meters.

No one else spoke. Brosh closed the public hearing at 6:05 p.m. and reconvened the regular meeting.

Questions and discussion followed. Voit expressed that the city needs to be good stewards of increasing rates accordingly. The rate study could come back and say the city still isn't charging enough. If we don't make these fee adjustments today, there could be a higher jump next year. We should be practicing an annual increase regardless. The study should give us better insight.

Motion by Gondeck, seconded by Mathiowetz, to approve the 2025 fee schedule.

Motion carried with Gondeck, Mathiowetz, and Voit voting yes. Swanson and Brosh voted no.

### **Discussion on Cannabis Joint Powers/Ordinance**

Bukowski gave an overview to the council regarding the joint powers agreement with Benton County and the consideration of Ordinance #490 – Temp Cannabis Special Events. The joint powers agreement with the county would allow the county to stand in the place of the city to handle the local retail regulation of cannabis businesses. Under the state statute, if the county receives appropriate licenses applicant would still need to get retail registration. An updated version of the joint powers agreement is in the council packet. The city is not required to pay fees to the county. The city can adopt zoning ordinances. The county also has zoning buffers in place (e.g. can't be within 500 feet of a daycare...etc...). The county adopted a cap of four cannabis businesses in the county, but didn't limit where. The applications are first come first serve. Questions and discussion followed.

Motion by Swanson, seconded by Mathiowetz, to adopt the joint powers agreement with Benton County.

Motion carried, with Mathiowetz, Brosh, Swanson, and Voit voting yes. Gondeck voting no.

Discussion shifted to Ordinance #490 – Temp Cannabis Special Events. Bukowski gave an overview. Temp events are defined as no more than four days. The event would still need to get a license with the state, but the city would approve the event. Benton County would not administer for the city. Many of these events would take place on nights and weekends. People would only be allowed to purchase cannabis products at the event, but would not be able to use at the event. Other requirements include an enclosed area, potable water, medical services, security...etc... Discussion and questions followed.

Motion by Voit, seconded by Gondeck, to adopt Ordinance #490 – Temp Cannabis Special Events.

Motion carried with Gondeck, Mathiowetz, Swanson, and Voit voting yes. Brosh voting no.

### **Discussion of ARPA Funding and Water/Sewer Pipe Procurement**

Brunn gave an overview to the council. Based on discussions in the council workshop, in order to meet ARPA requirements, staff has come up with a couple options. The city can procure the actual pipe needed to develop and extend housing. A materials list would be used to solicit for

bids. The pipe would be sent to the city next year in August/September to the southside project or wherever needed. Brunn asked the council to approve soliciting for bids with the contingency that staff could make some minor adjustments. We will need to schedule a special meeting before the end of the year. Discussion and questions followed.

Motion by Voit, seconded by Swanson, to approve bid solicitation for pipe procurement.

Motion carried, unanimous.

Brunn asked the council for a date to schedule when the bids would be approved. The council agreed to Friday, Dec. 20, at 10 a.m.

Brunn added that staff wanted to look at some additional water/sewer infrastructure to make sure the city is okay on the allocation side. Staff is also working on getting two quotes for the water meters and reading system. The city needs to switch to a different meter type for the north side and the new housing – estimating \$170,000. Staff will bring quotes to the special meeting. City and county ARPA funds must be allocated correctly.

### **Mayor's Comments and Open Forum**

Debra Olson, 600 Dewey Street, expressed concerns regarding the proposed southside housing project. Residents are not able or willing to cover the cost for water/sewer. Our cost of living increase is not going up. She stated she would like to see ARPA or a developer pay for it.

### **Department Reports**

#### **Police Department**

Chief Katie McMillin gave an overview of the November stat report to the council. There were 347 calls in November. Accidents were up, deaths were down, child calls were up at the school, animal complains are down, and parking tickets are up. McMillin reminded the council the winter parking ordinance is in effect and it is not based on the weather. There were a lot of mental health calls which take a great deal of time. The department also completed the tobacco compliance checks and all the businesses passed. The 2019 squad went in for service yesterday for an alternator and two batteries - \$1,300. It's now back on the road. Cocoa with a Cop is scheduled for Dec. 12. Preschoolers through 3<sup>rd</sup> grade are invited.

#### **City Engineer**

Jarod Griffith, City Engineer, gave an overview to the council on the 2025 lead service project. Staff is halfway through site inspections and will be making cold calls to round up the other half next. The 2025 street project is moving forward on plans.

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

Pappenfus shared with the council the Fire Department Santa Parade is scheduled for Dec. 18 at 6 p.m.

### **Administration**

Brunn asked for the council to schedule her performance review and combine with the council training. Council agreed to do closed performance review on Jan. 21 at 5:30 p.m. with the open session council workshop at 6 p.m.

### **Old Business**

Brunn asked the council to approve the proposal for the rate study for \$10,500 with Northland. Proposals were presented in the packet at the last meeting.

Motion by Voit, seconded by Mathiowetz, to approve the rate study proposal with Northland.

Motion carried, unanimous.

### **New Business**

No new business.

### **Public Hearing – Truth in Taxation Hearing**

At 6:55, Brosh closed the regular meeting and opened the public hearing on Truth in Taxation.

No one spoke.

At 6:56, Brosh closed the Public Hearing and reconvened the regular meeting.

Motion by Swanson, seconded by Gondeck, to adopt Resolution #2024 – 27 Approving 2025 Tax Levy.

Voit stated that compared to other cities in the county and throughout the state we significantly reduced the levy to just over 4%. I think we did a good job of making Foley a place to grow and thrive. Brunn added the state average for cities was 8.8%.

Motion carried, unanimous.

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

Paul Strang, 351 Dewey Street, commented on the cannabis issue. The city may be looking the other way joining with the county. The city should have its own ordinance. I think the city is taking a risk with the county giving business to the Hwy 10 corridor. There isn't a whole lot of business in the city and it would be a good revenue raiser.

Gondeck expressed appreciation to the city staff for completing the wastewater project. This is the largest project the city has undertaken.

Motion by Gondeck, seconded by Swanson, to adjourn.

Motion carried, unanimous.

Meeting adjourned 7:02 p.m.

*Sarah A. Brunn*

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