

WORK SESSION MINUTES

Monday, April 17, 2023
5:00 P.M. – 5:30 P.M.

WORK SESSION

Council Members Present: Jon Hawkinson, Matt Baumgartner, Blanca Ferguson Landon Padrnos and George Ebbers.

Others present: Aaron Walton, City Attorney; Mary Jo Halliday, Interim City Administrator; Shawn Hanson, Finance Director; Jodi Gilberts, Administrative Assistant; Ross Okins, Renville County Register; Jason Krumheuer, Police Chief; Travis Lubitz, Fire Department; Tim Seehusen, Fire Chief; Nanette Serbus, Liquor Store Manager

Olivia Liquor Store:

Manager Serbus provided an update on the Liquor Store operation. Handouts included a synopsis of sales from the last three years. She stated gross profit for 2022 is 28%. She stated the beverage association likes to see a 25% mark. The amount that the average customer spends in the store has increased by \$5.40 which is what we want to see happen. Beer still drives the prominent sales in store. So far this quarter the sales are up 5% from 2022. Serbus has not seen a loss in the off-sale side sales, only an increase. Serbus stated the goal is to at least look into renovating and expanding into the existing former bar space or look at a different location or new building. She talked about the plans that Engan and Associates drew up for the existing building that were shared with Council in 2021. She states she has no space and no room for growth to make it better. When last discussed, it would be a \$500,000-\$600,000 project for these plans dated 2021 so the costs have probably increased. She also stated that the question comes into play that the building was built in the 1980's and is it smarter to renovate the current or build brand new with having more opportunity for growth. Ebbers asked if they ever considered opening the on-sale again and she said the subject has been talked about but it needs to be operated in a very different way than an off-sale with a whole lot more liability because the drinks are being served there. Hawkinson states there would be a lot more room for growth if the liquor store could capture Highway 71 attention and Serbus agreed. She also stated they get customers from surrounding towns but it would be nice to capture people traveling through town via Hwy 71 and Hwy 212. There is a liquor fund with all the liquor profits and the balance of that account right now is about \$450,000. Serbus did say having that money as a cushion just in case is beneficial so using all the funds for this project isn't necessarily the best idea because issues come up. She stated the former Wick Ford building would be the best location. There is a need for more product space. Padrnos stated he would like to see a business plan with the cash flow with the current building.

REGULAR MEETING MINUTES

Monday, April 17, 2023
5:30 P.M.

CALL TO ORDER AND DETERMINATION OF A QUORUM

The Regular Meeting of the City Council of the City of Olivia, Minnesota, was called to order by Mayor Hawkinson at 5:30 P.M.

Council Members Present: Jon Hawkinson, Blanca Ferguson, Matt Baumgartner, Landon Padrnos and George Ebbers.

Others present: Aaron Walton, City Attorney; Mary Jo Halliday, Interim City Administrator; Shawn Hanson, Finance Director; Jodi Gilberts, Administrative Assistant; Ross Okins, Renville County Register; Greg Rauenhorst, Resident; Justin Black, SHE; Dan Knight, Resident; Jason Krumheuer, Police Chief; John Benson, 212 Baseball; Rob Thurston, 212 Baseball; Travis Lubitz, Fire Department; Tim Seehusen, Fire Chief; Unknown Guest, Via Zoom.

PUBLIC FORUM

Mayor Hawkinson temporarily suspended the regular meeting and opened the public forum at 5:32 P.M. He clarified the amount of time allocated for public comments and the decorum expectations for those who participate in the Public Forum.

No other public comments were offered. Mayor Hawkinson reopened the regular meeting at 5:33pm.

AGENDA APPROVAL

Motion by Baumgartner, second by Ferguson: to approve the agenda with (F) being moved to discussion. Motion passed unanimously.

CONSENT AGENDA

Motion by Ebbers, second by Padrnos: to approve the consent agenda. Motion passed unanimously.

- A. Approval of Regular Meeting Minutes of April 3, 2023
- B. Resolution 2023-41, Authorization of Step Increase Darren Fank
- C. Resolution 2023-42, Authorization of City of Olivia Donation
- D. Resolution 2023-43, Accept Resignation of Brian Klinghagen
- E. Resolution 2023-44, Amendment of Farm Lease
- F. Authorize Internal Posting for Public Works Superintendent
- G. Approval to Hire SW Dust Treatment, Inc. to Perform Dust Control Treatments

DISCUSSION / BUSINESS ITEMS

Seal Coat Project Update by Justin Black-SEH, Inc.

Justin Black from SEH gave a little background on seal coat project. The city of Olivia does this every year to preserve the city streets. They spray a layer of oil and lay chips or rocks. This preserves the life of the roads. There are 29 blocks scheduled for seal coating this year and the cost is about \$120,000. Black is asking the Council to authorize SEH to advertise for bids with an opening set date of May 11, 2023. He also shared that the city of Fairfax is interested in partnering with Olivia for the seal coat project.

Motion by Ferguson, second by Ebbers: to approve the Bid opening date for the project for May 11,2023. Motion passed unanimously.

212 Watermain Project

He shared that they have received the three easements that needed to be signed so they will be bringing that to next council meeting for the approval of the next steps.

Water Treatment Plant Project

Meeting on Tuesday April 18th, 2023, to take a deeper dive into taking on that detailed design.

DePue Ave Project

Set up a preconstruction meeting with contractor for April 25, 2023. Sent out a project update newsletter to all residents. They will continue to send out these updates. The contractor is planning on bringing in the machine the last week of April to grind all the pavement to turn back to gravel road consistency which is the first step. They are looking at starting under ground work first week of May but all depends on weather.

212 Baseball Board

John Benson and Rob Thurston stated they would like to build a fourth baseball field at Dirks Park. They believe it will be beneficial for future tournaments and bring business to the community. They stated that having fields in 2 different areas is just not convenient. They are asking permission to get the ball rolling on doing fundraising on their end to make this happen. And also need to address the maintenance at the current fields. They mentioned the fences need some attention. With another field they think they can host a large tournament over Corn Capital Days to get more families to town. They feel they can get this project done with little or no city funding. They believe the Board can do fundraising and get large donations to cover the cost but with that is there maybe naming rights possibilities that can go with the new field or whole complex. Need to address where soccer will be played if they can't play at Dirks. They talked about with some work at Henton Park could be a good be an alternative. They also stated they know another issue would be maintenance. They know the city takes care of it now and they stated sometimes the maintenance may not be done correctly. They wondered if the city would give the 212-Baseball Board an annual budget to take over the maintenance. The council stated they are all on board for them moving forward with this idea.

Electric Pickup Truck

The 2016 Dodge pickup with 43,000 miles in the department had its transmission rebuilt 2 years ago and provided with a 2-year warranty. Two weeks ago, the transmission started jerking and now the warranty has expired.

Quotes to rebuild the transmission were provided from Olivia Chrysler for \$11,641.21 with a 2-year warranty, however, they cannot give any type of timeline which would leave the department short a vehicle for an unknown duration; and from Don's Transmission and Auto Repair for \$9,794.83 where the transmission is sent off to Iowa at a factory for a rebuild with a 3-year warranty or 100,000 miles and the timeline is only 7-10 days completed.

Motion by Padrnos, second by Baumgartner: to approve the quote from Don's Transmission and Auto Repair for \$9,794.83. Motion passed unanimously.

First Reading of Fee Schedule

The council voiced concern on the small wireless facility fees and decided to wait on updating them but to approve the other fees as proposed. The problem is that the goal is to get rid of all polls and lines in Olivia. They recently found out that these polls are not up to code. So, they are trying to come up with a solution.

Motion by Padrnos, second by Ebberts: to approve first reading of 2023 Fee Schedule minus the small wireless facility. Motion passed unanimously.

Ordinance Amending City Code Title IX Section 92.19 and 92.20 Regarding Nuisance Code Enforcement

Motion by Baumgartner, second by Padrnos: to approve first reading of Ordinance Amending City Code Title IX Section 92.19 And 92.20 Regarding Nuisance Code Enforcement. Motion passed unanimously.

Farm Lease Amendment

Per Aaron Walton, the amendment reflects a reduction of the acres and extended the current term of the lease.

Per Councilman Padrnos recap to Council person Baumgartner, At the end of the last lease, the last renter the lesser contracted the sugar beet coop to dump their tare dirt and waste dirt after the crop was removed which was against the terms of the lease, and dumped debris, which was provided in pictures from the lessee. Baumgartner then asked if it lowered the value of land. Hawkinson replied that it lowered the yield. Baumgartner then asked why we aren't raising the rent or the why the rent is the same as it was. Halliday shared that the renter requested instead of a 3-year contract he wanted to make the contract a year longer. Walton replied which seems fair since he spent the time and effort the first year. Padrnos then stated that at the end of the lease term it should be put out for bids.

Approval of Safety Box Entry

Halliday stated she should be removed as a signer on the safety box at the FM Bank but then access should be given to Finance Director Shawn Hanson, Planning & Zoning Administrator Marissa Castillo and EDA Director Susie Lang to access necessary property abstracts.

Motion by Ebbers, second by Padrnos: to approve change in names on accessing safety deposit box at FM Bank, removing Mary Jo Halliday and adding Shawn Hanson, Marissa Castillo, and Susie Lang. Motion passed unanimously.

Extension of Interim Employment with Susie Lothert

Motion by Ferguson, second by Padrnos: to extend interim employment of Susie Lothert to order to assist the Utility Accounts Manager, effective April 1 through July 31, 2023. Motion passed unanimously.

Public Nuisance 92.18 Discussion

Halliday informed the Council there was a complaint that sidewalks along 13th Street South had not been cleared of snow so people were walking on Highway 71 instead of the sidewalks. Several residents had reached out to Councilor Baumgartner concerning the issue. It was noted that letters were sent to residents not in compliance of the code on Monday but due to mail delay were not received by residents till Friday of the same week. The letter stated they had till the next Monday to get the sidewalks cleared or the city would clear them and charge the residents. On the following Monday when the sidewalks were not clear the City of Olivia's Public Works crew went and cleared the sidewalks. The residents were then billed the \$150 each for the snow removal. The residents stated that they were informed that their sidewalks were part of a trail and that the city was responsible for cleaning them. Upon further investigation that is not the case and it is the safe way to school path but still the resident's responsibility to clear the snow. The residents also shared the concern they were not given adequate time to find someone to come clear the snow. Halliday also shared that in our fee schedule it states that if the city has to clear snow the charge is \$150/hour. Baumgartner shares that he understands that the

city had to go out and clear the snow but since the letters didn't get there till Friday which didn't give them adequate time to get the snow cleared maybe \$150 be split between all the residents. Halliday also stated the previous council decided nuisances should be complaint based so she is asking for some clarification and direction from current council as to how to move forward. Halliday also shared that if the council needs more information so they can discuss how to move forward we can get that to them. Ebbers stated he is not for complaint-based nuisances. Hawkinson shares he feels it was there was miscommunication between staff and residents of what classification the sidewalk fell under and that we should have flexibility and wave fines. Padrnos shared he does not agree and says residents are responsible to clean their own sidewalks. Ferguson added that when it was stated it was the safe routes to school it was never voiced that the city would take on maintenance of the snow removal. She states she feels if we do have to charge the residents it seems only fair to split the \$150 between them all.

Motion by Baumgartner, second by Padrnos: to charge \$150 to the residents to be split between them. Motion not passed unanimously. Move to Vote.

Baumgartner – Yay
Ferguson- Yay
Padrnos-Yay
Ebbers- Nay
Hawkinson -Nay

Motion passes 3 to 2.

Authorize Internal posting for Public Works Superintendent

Padrnos was just curious if this would be handled like any other hiring with a 10-day internal post then posted externally. He was informed it will be handled like all other hiring processes.

Motion by Padrnos, second by Ebbers: to post internal posting of Public works superintendent. Motion passed unanimously.

REPORTS

Pool Board

Landon shared that they are done with the painting and the HVAC company has finished up. He said ceiling tiles are done and look great. They also got the okay from the adjuster to move forward in the pump room.

Renville County Housing Open House

Hawkinson shared that it took place virtually and it was a 3-hour conversation with a consensus saying there is a need for housing and a gap in mid-income housing.

Park Board

John Benson talked to the Park Board about the 212-Baseball Board wanting to look into putting in a 4th baseball field at Dirks Park. They also discussed adding 2 sand volleyball courts and exploring pickleball court opportunities as well at Sunrise Park. They also talked about the reroofing at Memorial Park.

EDA

They discussed adjusting the sales agreement with Olivia Oasis. They needed a little more time to get data that has been compiled for working with this developer. Hawkinson shared that working with this developer has been a very positive experience. They also discussed some general maintenance at Bayberry Court.

PUC

Baumgartner shared that they discussed exploring dropping MMPA and picking up Missouri River but no decisions were made just in the discussion phases. He also shared a Small Wireless Facility partnership is being discussed with Lightbeam. Halliday shared there is still some research to do on that partnership.

MMBC

Hawkinson shared that the MMDC met and was excited to share that the Olivia Fire Department won a \$3,000 grant.

Other Reports of Council / Staff

City Administrator Search

Halliday shared that the SCSC hiring has scheduled to advertise the position starting April 18th and they are working locally with the Renville County Register to post as well. She has been reading through the job description and asks if there is any communication or questions about it to get them to her and changes can be made or questions answered. She also shared that we are working on the organizational chart to get updated. The one-hour tour has been set up for June 19, 2023, and the hiring process will be a two-day process.

Revolution Wellness Project

The City of Olivia received a letter from Jackie Edwards, Director of Foundation and Community Relations at Olivia Hospital and Clinics stating; we are excited to share that the Renville County Commissioners have supported a resolution to support a bonding bill from the State of MN to help construct a new wellness center to the west of the OHC campus.

This is an important part of the process as it defines Renville County as a partner of the project and an owner of the center once constructed.

We still have a lot of work to do ahead of us. Next steps will include introducing the bonding bill to the State of MN, with the hopes for a chance to testify and host a summer tour for the bonding committee. In addition, working with additional partners to update the design of the facility, final costs, operation plans, etc.

We consider the City of Olivia an additional partner and look forward to future conversations on what that partnership could entail. For now, we ask that you keep thinking about ways the City of Olivia can assist with the project that is creative and not a tax burden to community members.

As the project continues to move along, we will continue to work closely with our partners.

NOTICES AND COMMUNICATIONS

- Renville County Commissioners Approve Resolution to Seek a Bonding Bill & Ownership of a Possible Wellness Center at their April 11, 2023 meeting
- DePue Ave Project
 - Pre-construction Meeting on Tuesday, April 25, 2023 at 2 p.m. at City Hall
 - Hjerpe Construction moving in by end of April
- Board of Appeals on April 24th at 6pm
- Pioneerland Library System Board Meeting April 20th @ 7pm
- The Olivia WWTP was awarded a Certificate of Commendation from Minnesota Pollution Control Agency
- Internal Posting of Public Works Supervisor will be effective April 18th

ADJOURNMENT

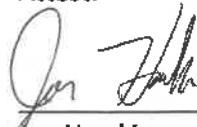
Motion by Padrnos, second by Ferguson: to adjourn the meeting at 7:02 P.M. Motion passed unanimously.

**Work Session Minutes
April 17,2023
7:10pm**

Building Project

Fire Chief Seehusen, Police Chief Krumheuer, and Mary Jo Halliday shared their sketches they made with some ideas for the future building project. Seehusen shared what his sketches were showing with council. They all discussed using local contractors. They identified 5 local businesses. Baumgartner expressed his want to use local businesses to keep as much money used locally. He also shared he would like to meet with the two local businesses Marcus and Triad. Halliday took council around city hall to show them her ideas for utilizing the space to fit all employees. Baumgartner shared he doesn't want the project to cost over 1.15 million which was not the consensus due to what needs to be done would definitely be over that budget. They discussed if the contractors they are interested in know how it would work with a USDA loan and what the criteria is. So, they asked Halliday to get a list of what the requirements for this project would be with certain loans. Padrnos stated Shawn Hanson and Halliday should be in charge of getting this information needed. Padrnos says a number needs to be set on what we are ok with spending a starting point. Baumgartner shared he has an idea of what he thinks the starting point should be \$50,000/ year based on the rent being paid to Renville County for the Police Department. He asked Hanson how much of loan we could get with a loan payment of \$50,000/ year and was given the number of \$1.15 million he shares that is what his starting off point would be. Chief Seehusen stated that number wouldn't even get the things needed for the fire hall. Padrnos also stated \$1.15 million isn't realistic. Council decided to have them reach out to the contractors and see how this works and get some comparisons to see where they are at. They will schedule a work session to meet with contractors. Hawkinson reminded the council of the tour of the Armory on Wednesday April 19th, 2023 at 5:30 pm.

Attest:



Jon Hawkinson, Mayor



Mary Jo Halliday, Interim City Administrator