



## **FRAZEE CITY COUNCIL**

Regular Council meeting Minutes

September 9<sup>th</sup>, 2019

6:00 p.m.

Mayor Ken Miosek called the meeting to order at 6:00 p.m.

Present: Mike Sharp, Nicole Strand, Mark Kemper, Mark Flemmer

Also, Present: Police Chief Tyler Trieglaff, Public Works Supervisor Larry Stephenson, Deputy Fire Chief James Krejce, Assistant Fire Chief Richard Greving, City Attorney Tom Winters, Colleen Hoffman/Auditor, Administrator Denise Anderson, and Barbie Porter

Open Forum – None

### Consent Agenda

- Kemper made a motion to approve the Consent Agenda, seconded by Sharp. All in Favor, motion carried.

### **New Business**

#### Presentation of 2018 Financial Audit – Colleen Hoffman

Hoffman presented the 2018 City of Frazee Audit

Points of discussion as follows:

Red Willow Heights two (2) TIF Districts and bond issues

Enterprise Funds outlined on page 23. Two projects were finished in 2018 and closed.

Water, Sewer and Streets are adequately funded, the Liquor Store and the Event Center are showing losses.

Liabilities such as PERA (Public Employee Retirement Account) for Coordinated and Police.

Fire Department has completed two Actuarial (page 13).

Flemmer questioned why there was such a loss in the Liquor Store Enterprise Fund and Hoffman stated it was because of a decrease in inventory from 2017 to 2018. She further stated that all expenses for that fund are in line and that this Audit will go to the State Auditor for review also.

Debt of the City was discussed enterprise funds and the percentage of levy that is assigned to pay for the debt service bonds remaining.

Reviewed the list of bond payments (page 69).

Special revenue Funds (page 71)

Major Project Funds – Complete Streets Project 2021 and the Well House Project with major funds highlighted on pages 16 & 17.

Review page 4 which is the Management’s Discussion and Analysis

Flemmer asked questions referring to pages 23 and then 22 as to a hard dollar amount to work with for the Liquor store Enterprise Fund. Hoffman explained the purpose of all line numbers for the Liquor Store Enterprise Fund listed on page 22. Hoffman stated she is in dispute of what dollar amount the Liquor Store checkbook started with when it was opened. This created a discussion of tracking inventory. Miosek asked if former years have any effect on the Liquor Stores bottom line. Hoffman stated that the 2017 inventory was a major drawback however the current operating margin of 30% is a good margin. There was further discussion of checkbooks and software tracking.

Resolution 0909-19A Approving Adoption of the 2019 Housing Study

A motion was made by Sharp to approve and adopt the 2019 Housing Study, seconded by Strand. All In favor, motion passed.

Resolution 0909-19B 2020 PROPOSED Tax Levy

A motion was made by Kemper to approve the proposed 2020 tax levy, seconded by Strand. All in favor, motion carried.

Resolution 0909-19C Designing Polling Place for the City of Frazee 2020

A motion was made by Strand to approve the Designated Polling Place for the City of Frazee for 2020, seconded by Sharp. All In favor, motion passed.

Real Property Declaration

A motion was made by Strand approving the Real Property Declaration, seconded by Kemper. All in favor, motion passed.

Review and 1<sup>st</sup> Reading of Ordinance 153 – Establishing a Moratorium on New Rental Unit Registrations Within the City of Frazee

Sharp addressed the Council his concerns that the current rentals being created in the City are homes that were once under homeownership. Landlords are purchasing homes that would have been starter homes for individuals or families. His concern is neighborhoods are turning into rental properties. Sharp stated this Interim Moratorium will provide the City a chance to conduct a rental density study. The ordinance will require a Public hearing and Sharp recommended consideration that the Public Hearing be scheduled for October 14<sup>th</sup> at 6:00 p.m. There was a discussion regarding if a developer wished to come into Frazee and build a new multi-family unit. Winters will review and advise if this type of scenario should it arise.

A Motion was made to hold a Public Hearing on October 14, 2019 for Ordinance 153 by Sharp, seconded by Strand. All in favor, motion carried.

Application for Gaming Permit – Frazee Wrestling Boosters November 22, 2019 at the Frazee Event Center

A motion to approve a raffle permit for the Frazee Wrestling Boosters on November 22, 2019 was made by Strand, seconded by Sharp. All in favor, motion carried.

Application for 1-day Temporary Liquor License – Heart of lakes Post 7702 (VFW) on September 28, 2019

A motion was made to approve a Temporary off-Site Liquor License for the Heart of Lakes Post 7702 on September 28, 2019 by Strand, seconded by Kemper. All in favor, motion carried.

### Purchase of 2007 Sterling Snowplow

Stephenson reported to council that he had researched the cost of purchasing a new plow truck and that the prices were coming in at around \$200,000.00 . He stated that he had located a used 2007 Sterling Plow Truck with 30,843 for \$57,000.00. Stephenson said he felt that this truck even though it would need a few minor repairs and adjustments would serve well as a main plow and to use the truck the City currently owns as a backup. Last year the maintenance department experienced breakdowns with that plow truck during major events.

A motion was made to purchase the 2007 Sterling snowplow truck using restricted savings from the street department by Strand, seconded by Sharp. All in favor, motion passed.

### **Old Business**

#### Eagle Lake Park Update

Anderson reported that the appraisal is not yet completed. She also read to Council minutes from August 4, 1936 stating that the City purchased the property from Mr. & Mrs. McGree

Excerpt as follows:

A motion was made by Hanson and seconded by Pearce that the village buy approximately 5 acres of ground, along the north line of said Lot 5, to be agreed on, and also that in said deed an easement be taken from the Grantees, for a two rod roadway along the north line of the NE1/4, and along the north line of Lot 5, of said Sec. 33-138-40., that the purchase price of said ground should be \$200.00., said motion being put to a vote was carried

(Copy of minutes of August 4, 1936 meeting with legal land description has been filed with the September 9, 2019 Agenda Packet for retention)

### **Staff Reports**

Event Center - Jolene Tappe stated she was disappointed with the Audit report for 2018. She has several events booked for the remaining months of 2019.

Liquor Store – Council reviewed monthly revenue and expenditure report which shows the Liquor Store had a \$4,393.00 profit for the month.

Police Department – Chief Trieglaff reported 108 calls in August 18 traffic stops which places the department down by 20 calls. The new squad has arrived and working well. It does have different graphics and he's received complaints that a squad from another city is pulling traffic over for stops.

Rescue Squad – Chief Trieglaff reported there were 22 calls in August with 10 of those being in the City. They conducted a training which involved an unresponsive victim. A few of the fire fighters also joined in for the training exercise.

Fire Department – Deputy Fire Chief James Krejce reported 3 calls in August with 2 being in Burlington Township. On 9/22 they will be holding tryouts for new fire fighter applicants. Currently they have received 6 applications. There has not been a sale of engine 3. On 10/8 the department will install smoke alarms for residents who have called and requested them.

Public Works - Larry Stephenson reported the water plant produced 4,000,195 gallons and added 13-1/2 gallons of fluoride to the system. There was a dry tank inspection on the water tower was performed and he expects a report of findings next month. There was

a small amount of ice damage noted. The wastewater treatment plant pumped 2.5 million gallons and a total discharge of 34, 165,000 gallons.

A motion to accept staff reports was made by Strand, seconded by Kemper. All in favor, motion carried.

### **Council Member Reports**

EDA - Jopp's request for EDA monetary support this has been table pending a financial acceptance letter from their financial institute. Discussion of finalizing the City Business Brochure, CEDA contract review and meeting scheduled in St. Cloud with Minnesota Housing Partnership and CEDA.

Public Safety - No meeting

Planning and Zoning – The Comprehensive Plan draft was introduced and reviewed. A timeline for Public Review, Public Hearing and Council consideration was discussed. A variance request for property on Hwy 10 was reviewed with no concerns.

Personnel and Finance – Budget on going

Parks and Trails -No meeting

LARL - Reports for July and August in Agenda packet were reviewed

Miosek stated he had an item that should have been in new business. He stated that harvest Fellowship has been receiving a food drop every Monday consisting of Fresh fruits and Vegetables from the North Country Foodbank. Harvest Fellowship is asking if the City would partner with them for the costs involved in the drops and that the food is for all residents of the city, not just the members of the congregation.

A motion to donate \$500.00 to Harvest Fellowship to contribute to the cost of the food drops was made by Flemmer, seconded by Strand. All in favor, motion carried.

### **Administrator Report**

Well House Project – Waiting for the PFA determination of amount of grant amount and amount of Funding at what percentage rate.

Comprehensive Plan – Discussion of the need for a Public Hearing and that it needs to be placed on the website for public review. Also, hard copies are placed in City Hall for reviewing.

A Committee met with MN Housing Partnership and CEDA in St Cloud on September 6<sup>th</sup> to discuss strategies and gather facts for the downtown infill project.

Heartland Trail Legislative Bonding Committee she and Council member Sharp attended a presentation from the local Trail committee for the need of 4.2 million to complete the trail from Detroit lakes to Frazee.

Flemmer stated he wanted to discuss the liquor store further and passed out a sheet containing numbers he had calculated for Off sale, On Sale, Food, Till Total, City Number, City Expenses, City Profit/Loss, Till Verses Deposits and who was the manager for various months. Flemmer stated that the receipts and deposits are not correct and there is money missing according to his calculations of the overages and shorts reported. Flemmer stated that there is money missing from the tills. Another concern was he compared the on sale and the off sale and till verses deposits there is \$26,439.00 missing. Kemper asked how the credit cards are reported and deposited. Anderson stated that the

daily deposits consist of cash only not credit cards, those are balanced at the end of the month with the bank statement. She also stated that the amount of credit card sales is marked on each daily deposit work sheet but cannot be included in the deposit since there is no cash. Council members had a discussion of deposits and credit card reporting be it daily or monthly. Flemmer also referred to average daily sales per day broken down by on sale and off sale, he feels on sale is not profitable. Kemper stated that the employees at the liquor store are working extremely hard and voiced his disappointment of the software being utilized there that it can't and doesn't track reports as needed. Flemmer stated that in the near future the Council will need to address continuing or discontinuing the on-sale services. Kemper stated he wanted to look at the numbers recorded for deposits and checking account balances for further review. Further discussion of cash, credit card sales and deposit reporting.

A motion to accept the Administrators report was made by Strand, seconded by Sharp. All in Favor, motion carried.

Adjournment

Being no further business a motion

A motion to accept the administrator's report was made by Strand, seconded by Sharp. All in favor, motion carried

Adjournment

Being no further business a motion to adjourn at 8:35 p.m. was made by Strand, seconded by Kemper

Meeting Adjourned

Respectfully Submitted



Denise Anderson/Administrator