

CITY OF MONTEVIDEO  
CITY COUNCIL PROCEEDINGS  
December 3, 2018

The city council met in regular session Monday, December 3, 2018 in the council chambers at city hall. President Garbe called the meeting to order at 7:00 P.M. with the Pledge of Allegiance, followed by a moment of silence in memory of former President of the United States George Herbert Walker Bush.

Council members present: Todd Hay, Nathan Schmidt, Sandra Hodge, Marvin Garbe and Bryce Curtiss. Absent: None. Mayor Fader present.

Also present were: Assistant City Manager Angela Steinbach, City Engineer Mike Amborn, City Attorney Janice Nelson and Secretary Glennis Lauritsen.

It was moved by Schmidt, seconded by Hodge and unanimously passed to approve the agenda, with the following modifications:

**MODIFY: 5A) CONSIDER APPROVAL OF VERIFIED CLAIMS FOR THE PERIOD ENDING NOVEMBER 30, 2018 IN THE AMOUNT OF ~~\$198,216.44~~ \$204,692.56.**

LIQUOR

Morecom - IT Services 1,675.00

UTILITY

Hawkins, Inc. - LPC-5, Sodium Permanganate 4,801.12

**MODIFY: 7D) CONSIDER RESOLUTION ACCEPTING GIFTS/GRANTS FROM VARIOUS ORGANIZATIONS AND INDIVIDUALS.**

Updated resolution provided.

It was moved by Curtiss, seconded by Hay and unanimously passed to approve the minutes of the regular meeting of November 19, 2018, as presented.

4. Notices/Communications/Announcements or Appearance of Interested Citizens.

4(A) EMPLOYEE SERVICE AWARD PRESENTATION.

Mayor Fader presented Heidi Bergo with a 20-year employee service award. Heidi was hired November 30, 1998.

5. Consent Agenda.

It was moved by Hay, seconded by Schmidt and unanimously passed to approve the following Consent Agenda items:

5(A) VERIFIED CLAIMS FOR THE PERIOD ENDING NOVEMBER 30, 2018 IN THE (MODIFIED) AMOUNT OF \$204,692.56.

6. Public Hearings.

- None.

7. General Business.

7(A) 2019 BUDGET DISCUSSION & PUBLIC COMMENT.

At the September 4, 2018 council meeting, public comment and discussion of the 2019 Budget and levy was scheduled for December 3, 2018. Finance Director Jan Flaherty presented the 2019 information, with handouts including a proposed resolution adopting the budget; a General Fund expenditure comparison; a proposed resolution establishing the tax levy and levy comparison information - 2018 vs. proposed 2019. The adoption resolution showed proposed revenues at \$13,532,430 and proposed expenditures at \$13,286,080. Total tax levy proposed for 2019 is \$2,343,200, which reflects a 4% increase over 2018.

7(B) 2019 TAX LEVY.

SANDRA HODGE OFFERED RESOLUTION NO. 3554, A RESOLUTION ESTABLISHING THE 2019 TAX LEVY, AND MOVED ITS ADOPTION. MOTION FOR ADOPTION OF RESOLUTION NO. 3554 WAS SECONDED BY TODD HAY.

THOSE VOTING IN FAVOR OF MOTION: SANDRA HODGE, TODD HAY, NATHAN SCHMIDT, BRYCE CURTISS AND MARVIN GARBE. THOSE VOTING AGAINST MOTION: NONE. RESOLUTION PASSED 5-0.

7(C) 2019 BUDGET ADOPTION.

NATHAN SCHMIDT OFFERED RESOLUTION NO. 3555, A RESOLUTION ADOPTING THE BUDGET FOR THE FISCAL YEAR 2019, AND MOVED ITS ADOPTION. MOTION FOR ADOPTION OF RESOLUTION NO. 3555 WAS SECONDED BY BRYCE CURTISS. THOSE VOTING IN FAVOR OF MOTION: NATHAN SCHMIDT, BRYCE CURTISS, SANDRA HODGE, TODD HAY AND MARVIN GARBE. THOSE VOTING AGAINST MOTION: NONE. RESOLUTION PASSED 5-0.

7(D) 2019 FEES & SCHEDULE ADOPTION.

TODD HAY OFFERED RESOLUTION NO. 3556, A RESOLUTION ADOPTING THE 2019 FEES & CHARGES SCHEDULE, AND MOVED ITS ADOPTION. MOTION FOR ADOPTION OF RESOLUTION NO. 3556 WAS SECONDED BY SANDRA HODGE. THOSE VOTING IN FAVOR OF MOTION: TODD HAY, SANDRA HODGE, BRYCE CURTISS, NATHAN SCHMIDT AND MARVIN GARBE. THOSE VOTING AGAINST MOTION: NONE. RESOLUTION PASSED 5-0.

7(E) PURCHASE OF REFRIGERATOR FOR COMMUNITY CENTER.

It was reported that the refrigerator at the Community Center was no longer working. Quotes were requested from two vendors, with one quote submitted by Larry's Refrigerator & Heating, Inc., Ortonville, Minnesota. After review, staff has recommended purchase of the Arctic Air AR23 for \$2,018.11, which includes delivery and disposal.

It was moved by Schmidt and seconded by Hay to authorize the purchase of the recommended model, with payment from the Capital Equipment & Facilities Fund. After further discussion, the motion was amended by Schmidt/Hay to include the purchase of an additional shelf for \$84.00, making the total purchase at \$2,102.11. Motion, as amended, passed unanimously.

7(F) KURTZBEIN 2019 FARM LEASE.

It was moved by Curtiss, seconded by Hodge and unanimously passed to authorize a 2019 farm lease with Robert Kurtzbein, for 15.9 acres @ \$219.00/acre, for a total of \$3,482.10.

7(G) SETTLEMENT AGREEMENT/WILLIAMS ESTATE VA HOME DONATION.

A settlement agreement was presented for a donation to the Montevideo Veterans Home Project from the Steve Williams estate. The agreement is needed due to the significant amount of money, to assure that the funds get applied to this project, and also to provide for a partial reimbursement of an income tax liability, should that be an issue. The attorney for the estate has opined that a tax liability against the trust is highly unlikely based on an IRS ruling.

It was moved by Hay, seconded by Hodge and unanimously passed to approve the settlement agreement, as presented.

7(H) 2AM OPTIONAL CLOSING - GROAT'S.

Groat's, Inc., 309 South 1<sup>st</sup> Street, wishes to submit a renewal application to the State of Minnesota for the optional 2:00 A.M. closing of their liquor establishment. The application must first be approved in an official meeting by the governing body of the city approving the sale of alcoholic beverages until 2:00 A.M. Their current permit expires 1/24/19. A summary of 2018 police incident reports were provided for both of the local establishments who currently hold a 2AM permit (Groat's and Inn Like Flinns) for review by the council.

It was moved by Schmidt, seconded by Curtiss and unanimously passed to approve the request, as submitted.

7(I) ACCEPTANCE OF GIFTS/GRANTS).

The following gifts have been received by the city:

<u>Name</u>	<u>Description</u>	<u>Amount/Value</u>
Montevideo Fire Relief Association	Donation - Fire Prevention	\$ 5,850.00
Janice Nelson via Edward Jones (In memory of John P. & Margret Nelson)	Donation - Veterans Home	38,950.01

SANDRA HODGE OFFERED RESOLUTION NO. 3557, A RESOLUTION ACCEPTING GIFTS/GRANTS, AND MOVED ITS ADOPTION. MOTION FOR ADOPTION OF RESOLUTION NO. 3557 WAS SECONDED BY TODD HAY. THOSE VOTING IN FAVOR OF MOTION: SANDRA HODGE, TODD HAY, NATHAN SCHMIDT, BRYCE CURTISS AND MARVIN GARBE. THOSE VOTING AGAINST MOTION: NONE. RESOLUTION PASSED 5-0.

7(J) RETIREMENT & CONTRACTOR AGREEMENT WITH STEVE JONES.

A Retirement Agreement & Release of All Claims and an Independent Contractor Agreement between Steven Jones and the City of Montevideo has been drafted for consideration. The Retirement Agreement would terminate the Employment Agreement dated May 17, 1998 by mutual consent of the parties and spells out other specific agreed to termination matters (Payment(s), Irrevocable Resignation, Benefit Plans, Return of Property & Cooperation, etc.) The Independent Contractor Agreement provides for specific contractor services with Jones for a six-month period (January 1, 2019 to June 30, 2019) at a compensation rate of \$6,500/month (excluding reimbursement for approved program supplies), with reimbursement for mileage or hotel/lodging only as pre-approved by the city council or city manager (or designee of either). The primary purpose of the Independent Contractor Agreement is for ongoing work associated with the levee project.

City Attorney Nelson reviewed sections of the Retirement Agreement & Release of All Claims document, including but not limited to wages, annuity plan payment, payment of unused /accrued vacation and sick leave hours, health care, cell phone and mutual non-disparagement. Nelson indicated that Jones had signed the agreement and that the effective date is December 7, 2018.

It was moved by Curtiss, seconded by Schmidt and unanimously passed to approve the agreement, as presented.

City Attorney Nelson next reviewed sections of the Independent Contractor Agreement which would provide specific services to the city relating to the ongoing levee project. Nelson listed the responsibilities spelled out in Exhibit A. This service would be at a cost of \$6,500/month for a period of six months. The agreement also provides that weekly updates are to be provided.

Council member Hay asked whether a solicitation of bids is required. City Attorney Nelson stated no; bids are not required for personal service contracts.

City Engineer Amborn briefly discussed the remaining scope of work for the levee project.

It was moved by Curtiss and seconded by Hay to approve the Independent Contractor Agreement with Steve Jones, as presented. Those voting in favor of motion: Curtiss, Hay, Hodge and Schmidt. Those voting against motion: Garbe. Motion passed 4-1.

- It was noted that Assistant City Manager Steinbach has accepted the position of Yellow Medicine County Administrator and will begin those duties January 7, 2019. With both the city manager and assistant city manager positions vacated, it has become necessary to appoint an interim city manager.

It was moved by Schmidt, seconded by Hay and unanimously passed to appoint Assistant City Manager Steinbach as interim manager for the balance of her tenure with the city (January 4, 2019.) Steinbach indicated she will be contacting the League of MN Cities for names of individuals available to serve in the capacity of interim manager, until such time as a permanent city manager is hired. This information will be made available to the council at the earliest convenience.

Council President Garbe suggested that Steinbach be compensated at the current city manager wage rate for the time period that she serves as interim manager. Financial information will be presented at the next meeting for further discussion.

8. Ordinances.

- None.

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9. Discussion and Miscellaneous.

- ▶ Council President Garbe reminded everyone of Wednesday's VA Home meeting - 11:00 A.M. at the American Legion.
- ▶ Mayor Fader publically thanked City Manager Steve Jones for his 20 years of dedicated service to the City of Montevideo.

Meeting adjourned at 7:58 P.M.

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Glennis Lauritsen, Secretary

Approved by council on December 17, 2018:

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Marvin E. Garbe, President