

## **Canton City Council Regular Meeting Minutes April 13, 2022**

The Canton City Council held its regular monthly meeting on April 13, 2022, at the Canton Town Hall. Members present: Mayor Nick Prestby, Carl Ernst, Randy Gossman, Josh Nordsving and Cindy Shanks. City staff present: Brock Bergey, Jim Davis and Jon Nordsving. Visitors present: Jennifer Dowling, Donivee Johnson, Vergene Kelly, Melissa Vander Plas and Kristy Ziegler

Mayor Prestby called the meeting to order at 6 p.m., with the Pledge of Allegiance recited by all.

Motion by Shanks, second by Ernst to approve the agenda; motion carried. Motion by Ernst, second by Shanks to approve the consent agenda (approval of March minutes, approval of April disbursements; approval of Resolution 2022-06 for a lawful gambling exempt permit for the Canton Community Association, approval of 2022-2023 city hall copier/printer maintenance agreement, approval of 2022 Opt-In Load Management Program Agreement with MiEnergy); motion carried.

**Public comments:** Resident Kristy Zeigler raised concerns about the number of diseased trees in the community. Staff noted recent conversations about the topic, with some of the affected trees to be removed during the anticipated streets reconstruction project. Costs associated with tree removal are the responsibilities of property owners.

**Mayor's report:** Mayor Prestby reported work on the American Legion's veterans memorial is expected to begin in May, with First Southeast Bank donating a bench for the site.

**Clerk's report:** In his clerk report, Bergey noted former City Clerk Lolly Melander had issued her court-order apology letter, which was shared with residents via Facebook, the City's website and newsletter. Additionally, Melander's first restitution payment has been received, in the amount of \$1,750. The \$10,000 for the surety bond claim has also been received. Bergey will be presenting a resolution, to establish fund distribution of restitution dollars, for council consideration in May.

The City's portion of proceeds from the public sales of two tax forfeited properties have been received and added to the General Fund. The City's share for the former Popplewell property (school site) totaled \$275.70. with the share from the former Scrabeck property totaling \$1,155.70.

A review of first quarter spending on natural gas services was presented. Bergey pointed out a \$1,500 increase from the first quarter of 2021, due to the rising costs of natural gas. Overall, January through March 2022 costs were up 46%, which will result in a calendar year budget overage for utilities.

Bergey noted, for the second consecutive month, no one took advantage of the additional afternoon business hours at city hall, prior to the council meeting. In February, the council voted to keep the office open until 5 p.m., on the second Wednesday of the month, on a trial basis. The matter will be revisited in May.

**Public Works report:** Jon Nordsving stated research continues on options for a replacement transmission to the Ford F-250 pickup.

Progress is being made on completing the installation of the new sliding doors at the former school bus shed, with two doors remaining to be hung.

Ongoing concerns with people misusing the City's brush dump were discussed. Nordsving suggested keeping the site open during weekday working hours, but locking it evenings and weekends, to prevent misuse. No action was taken.

**Fire Department:** Motion by Ernst, second by Shanks to accept the resignation of Tyler Newman from the department; motion carried.

Motion by Ernst, second by Josh Nordsving to advertise for a firefighter; motion carried.

**Police:** None

**Planning Commission:** Zoning Administrator Josh Nordsving reviewed proposed changes to the City's zoning ordinance, as suggested by the Planning Commission. City Clerk Brock Bergey will be working with the City's attorney to draft an amended ordinance for council review in May. A public hearing is required before any changes can be made to the current zoning ordinance. That will likely take place prior to the June council meeting.

**Unfinished business:** Discussion continued from March on a revised employee pay plan prepared by a human resources consultant. The new plan recommends four employee grade levels and nine wage steps to replace the current pay plan, which dates back to the 1990s. Based on the wage study, conducted by David Drown Associates HR and presented to the council in March, three out of the City's four current employees are being paid an hourly wage below the market average. Under the new plan, the full market average rate, for each pay grade, would be achieved at step five. As of January 1, 2022, the clerk/treasurer, deputy clerk and public works maintenance worker would receive a wage adjustment at 89.5% of the market average for their respective grades. This would result in approximately \$2,375 in total employee backpay for 2022. The total impact to the 2022 calendar year budgets (General, Water and Sewer combined) would be around \$9,500. Bergey presented adjustments to the General Fund to account for the difference, with little wiggle room noted for the Water and Sewer Fund budgets. In a written memo to the council, City Attorney Greg Schieber stated, "I would concur with anyone who suggests the City would benefit from an updated compensation plan...the schedule should be reviewed every year or two to make certain it stays current and competitive." Schieber added while Minnesota Statutes don't dictate what cities must pay employees, they do require their pay be reasonably similar to what other employees in similar roles are paid in other communities. "Other good reasons to have a thoughtful and up-to-date compensation plan would be for more practical reasons – employee recruitment and retention," Schieber noted. The externally-conducted wage study included pay rates from 23 area communities, with the list previously approved by the city council. The wage study, itself, was initiated by the council in December 2021, as a precursor to the drafting of a new employee handbook. Motion by Mayor Prestby, second by Shanks to approve the proposed employee pay plan; motion carried, with Gossman opposed.

Motion by Shanks, second by Josh Nordsving to approve employee job descriptions, also prepared by David Drown Associates HR, for inclusion in the City's revised employee handbook; motion carried.

**New business:** Mayor Prestby addressed a need to bring in an outside expert to assist the council and employees with conflict resolution. This would be a free service provided through the League of Minnesota Cities (LMC), and would address three primary areas of conflict:

1. Moving on from Lolly Melander's criminal activity and administrative oversights;

2. Meeting management (councilmember roles/responsibilities, preparedness, policy/procedure, etc.);

3. Interpersonal relationships between councilmembers and employees.

Motion by Josh Nordsving, second by Gossman to proceed with the LMC services; motion carried.

Bergey provided a report on the 2021 financial audit, which was conducted by Hawkins Ash CPAs. The City received a “clean” audit for all governmental and proprietary funds. According to the financial statements, General Fund spending totaled \$258,850 in 2021, with revenues ending the year at \$314,152. The ending General Fund cash balance was \$440,251. Last year, the Water Fund experienced a net loss of more than \$15,000, with operating and non-operating expenditures totaling nearly \$98,000; operating and non-operating income totaled under \$83,000. The Sewer Fund ended in the black, with a net gain of \$13,000; however, that occurred due to the refinancing of the loan for the wastewater treatment facility, which eliminated a payment in calendar year 2021. The City’s indebtedness was reduced by nearly \$28,000 in 2021, going from \$446,860 on January 1 to \$419,000 on December 31. Motion by Josh Nordsving, second by Shanks to accept the 2021 financial audit as prepared by Hawkins Ash; motion carried.

Bergey briefed the council on the negative fund balance (-\$31,210) associated with the Sewer Fund and sought guidance on financial management. No action was taken.

Mayor Prestby presented a list of suggested repairs to the Mitson House, based on recommendations from the Canton Historical Society. No action was taken.

Resident Vergene Kelly requested agenda time to discuss expanded program opportunities through SAIL (Stay Active and Independent for Life ), which she oversees at the town hall. She thanked the council for its support of the program and the City’s donation of the facility space for the group’s use.

Motion by Gossman, second by Ernst to adjourn at 7:40 p.m.; motion carried.