

## CITY COUNCIL

7:00 P.M.

Monday, October 4, 2021

Present: Mayor Wade LeBlanc  
Richard DeRosier  
Dustin Goutermont  
Shane Hoff

Excused: Ben Bautch

Lana Fralich, City Administrator  
Tim Costley, City Attorney  
David Drown, Economic Development Authority- left at 8:15 p.m.  
Michael Duscher, Bergan-KDV via ZOOM

Mayor LeBlanc called the meeting to order at 7:00 p.m.

**Agenda** – Motion by Goutermont, second DeRosier to approve the Agenda with addition of Letter from League of MN Cities, BS&A proposal under discussion of K-Pay Payroll and HR System, and Part-time Police officer hire. **MOTION CARRIED.**

**Consent Agenda** – Motion by DeRosier, second Hoff to approve the meeting minutes from the September 20<sup>th</sup> Budget Meeting, September 20<sup>th</sup> Regular Council meeting, and September 29<sup>th</sup> Special Meeting. **MOTION CARRIED.**

**Petitions, Requests, and Communications** – Mayor LeBlanc shared a letter from League of MN Cities regarding State Representative Rob Ecklund receiving Legislator of Distinction Honors in recognition of actions that have aided efforts of Minnesota cities during this year's legislative session. A letter from Council will be sent in recognition of his accomplishment.

### **City Administrator –**

**K-Pay Payroll and HR Software System** – Fralich provided information regarding a proposed upgrading of the City's municipal software system using ARPA funding as part of the mitigation and prevention plans relating to COVID-19. There was discussion on the impacts to the health and safety of the public and employees – which will allow for employees to be able to work from home, provide an option for the public to do their municipal needs remotely, minimize the passing of documents between employees and the public, prevent future closing of City Hall, and improve communication with employees and public, especially during a pandemic. The Council reviewed proposals from K-Pay, which is a payroll and human resource system, and BS&A which is a fully integrated municipal and permitting system who also does payroll and human resources. After discussing options for a municipal system with our Auditors for use of ARPA funds and their review of multiple different software companies, they recommend the use of BS&A for the municipal software side. Upon review of the payroll and human resources side for our size community, BS&A felt K-Pay would be better suited for our needs and was a cheaper option. Both software' companies can be integrated and would considerably improve our current manual and paper-heavy system. Michael Duscher, Bergan-KDV, attended via ZOOM and discussed his review of the various systems available, the benefits to the City, and answered questions of the Council. There was further discussion on improving efficiencies and the impact on staff duties, costs for the programs, timeframe of the upgrade, and contracts being developed. Fralich will work with BS&A to try and obtain an improved cost. Motion by Hoff, second DeRosier to move forward with using ARPA monies to upgrade our municipal software system due to

the health and safety of the public and employees and proceed with K-Pay for the software development costs of \$11,929 and a yearly fee of \$9,829/year for three years. MOTION CARRIED.

Further discussion on BS&A proposal for the financial and permitting side of software, price and training. Fralich will work with BS&A to try and obtain an improved cost. Motion by DeRosier, second Hoff to move forward with using ARPA monies to upgrade our municipal software system due to the health and safety of the public and employees and proceed with BS&A software system upgrade. MOTION CARRIED. It was noted that contracts with both parties will be brought back for final approval before work will begin.

**Proposed Housing Incentive Program** – The Council reviewed the proposed housing incentive program that was tabled from the previous meeting, that was recommended for approval by the EDA. There was further discussion on the application process, having no income requirements, providing more incentive for homestead development, return on investment to the city, securing city grant funds, use of TIF and Tax Abatement to cover the program, expanding the tax base, and keeping the process simple. Further discussion continued on providing a higher incentive for homestead properties in an effort to promote housing for workforce and families with children who would likely attend school, the impact a 15% grant would have on return of investment, and possible second mortgage on home for higher incentive. Motion by LeBlanc, second DeRosier to approve putting a Housing Incentive Program together that would provide a 10% cash grant for new housing construction and an extra 5% incentive for properties that are homesteaded for a period of time with a second mortgage, trying this program for one-year, all subject to legal document review. MOTION CARRIED.

**City Hall Closing on November 26, 2021** – Motion by Goutermont, second DeRosier to close City Hall on Friday, November 26, 2021 (day after Thanksgiving) and that staff be required to take floating holiday or personal time off. MOTION CARRIED.

**Part-time Police Officer Hire** - Chief Kochendorfer is recommending to hire Dylan Jindra, who is a current Two Harbors police officer, on a PT Officer Basis. Motion by DeRosier, second Hoff to hire Dylan Jindra as PT officer at the current PT Police Officer wage pending completion of background, physical, and psychological review, with an effective hire date to be determined. MOTION CARRIED.

**City Attorney** – Discussion on the amount of time being spent on development projects that are not part of the monthly retainage and that the Attorney plans to charge these costs to the City, with these extra costs to be charged to Developers. There was a consensus of the Council that this was fair and that the City Attorney will bring forth his additional fees to the next meeting.

**OLD BUSINESS** – None

**NEW BUSINESS** – None

**Library Board Resignation** – Motion by DeRosier, second Hoff to accept the verbal resignation of Holly Lovold from her position on the Library Board, with regrets. Council thanks Holly for her service. MOTION CARRIED.

**Library Board Appointment** – Library Board received an application and recommends Deb Wesenberg to serve on Library Board. Motion by DeRosier, second Hoff to appoint Deb Wesenberg to Library Board. MOTION CARRIED.

**Claims** – Motion by Hoff, second Goutermont to approve payment of \$219,249.41 in unpaid claims and \$94,720.65 in paid claims. MOTION CARRIED.

Motion by DeRosier, second Goutermont to adjourn at 8:24 p.m. MOTION CARRIED.

Minutes taken by Lisa Christenson



\_\_\_\_\_  
Wade LeBlanc, Mayor

Attest:

  
\_\_\_\_\_  
Lana Fralich, City Administrator