

I. CALL TO ORDER.

A regular meeting of the City Council of the City of Litchfield was held in the City Council Chambers at the City Hall on Monday, February 7, 2022, commencing at 5:30 p.m. Mayor Johnson called the meeting to order.

A. ROLL CALL:

Mayor	Keith Johnson	Present
Council Member-at-Large	Ron Dingmann	Present
Council Member Ward I	Eric Mathwig	Excused
Council Member Ward II	Darlene Kotelnicki	Present
Council Member Ward III	Betty Allen	Present
Council Member Ward IV	John Carlson	Present
Council Member Ward V	Sara Miller	Excused
City Administrator	Dave Cziok	Present
Assistant City Administrator	Joyce Spreiter	Present
Assistant City Attorney	Rebecca Rue	Present
City Engineer	Chuck DeWolf	Present
Independent Review	Brent Schacherer	Present
KLFD	Tim Bergstrom	Present

B. PLEDGE OF ALLEGIANCE

II. CONSENT AGENDA -

Each item on the Consent Agenda was considered. No items were added or deleted.

A. COUNCIL MINUTES TO APPROVE:

1. City Council Minutes – January 18, 2022
2. City Council Work Session – January 18, 2022
3. City Council Special Joint Meeting with School District Board Members – January 31, 2022

B. FINANCIAL REPORTS TO APPROVE:

1. Electronic and Wire Transfer Report

C. CLAIMS TO AUTHORIZE FOR PAYMENT:

1. Computer List of Bills for \$681,404.22

D. OTHER PAYMENTS: None

E. ORDINANCES – SECOND READINGS: None.

F. LICENSES:

1. Lawful Gambling Permit – Songs of Summer Festival –

**CITY OF LITCHFIELD
RESOLUTION NO. 22-2-21
LAWFUL GAMBLING PERMIT FOR
AN EXEMPT ORGANIZATION SONGS OF SUMMER FESTIVAL**

WHEREAS, an application for a lawful gambling license exemption was considered from the Songs of Summer Festival,

Resolution No. 22-2-21– Cont’d.

NOW, THEREFORE, BE IT RESOLVED to approve the application for an Exemption from a Lawful Gambling license for Songs of Summer Festival on August 19, 2022 at Litchfield Civic Arena, 900 N. Gilman Ave., Litchfield, and to direct submittal of a copy of this resolution with their application to the State Gambling Control Division.

Adopted by the City Council this 7th day of February, 2022.

Attest:

Approved:

ASSISTANT CITY ADMINISTRATOR

MAYOR

G. OTHER ROUTINE MATTERS: None.

H. COMMUNICATIONS:

1. Minutes & Reports:

a. Litchfield Library Board Minutes – January 25, 2022

After review, it was moved by Council Member Allen, seconded by Council Member Carlson, to adopt the following:

**CITY OF LITCHFIELD
RESOLUTION NO. 22-2-23
APPROVING CONSENT AGENDA**

WHEREAS, the Consent Agenda has been assembled and presented; and

WHEREAS, all requests to have items removed have been duly noted,

NOW, THEREFORE, BE IT RESOLVED to approve the Consent Agenda as presented except for items, if any, which were requested to be removed for individual consideration.

Adopted by the City Council this 7th day of February, 2022.

Attest:

Approved:

ASSISTANT CITY ADMINISTRATOR

MAYOR

Upon roll call vote, all members present voted aye, whereupon the resolution was declared adopted.

III. TIMED ITEMS – None.

IV. ACKNOWLEDGMENT OF AUDIENCE/PRESENTATIONS – None.

V. COMMISSION RECOMMENDATIONS – None.

VI. COMMITTEE REPORTS –

A. WELLNESS/RECREATION CENTER –

Mayor Johnson asked if there were any questions or comments concerning the Wellness/Recreation committee meeting minutes provided. There were no questions or comments. No formal action was taken.

VII. LEGAL CONSIDERATIONS – None.

VIII. BUSINESS –

A. CIP –

City Administrator Cziok outlined the changes to the CIP document from the last City Council meeting. He reviewed the information provided relating to removal of non-critical services from the CIP which included why the project was removed, why the Council may want to consider it, and how to reduce the fiscal impact.

Council Member Dingmann inquired about generating funds for the Commercial Street project. City Administrator Cziok recommended adopting a storm water utility ordinance and establishing appropriate rates to eliminate the impact to taxes. He explained that the City would need to issue debt and revenue from a storm water utility fund would pay off the debt. Mayor Johnson inquired about using American Rescue Plan Act dollars to finance the project. He would like to see the project move forward in 2022. Council Member Kotelnicki recommended using a portion of the American Rescue Plan Act dollars for the project. Council Member Allen inquired about coverage of the entire project with the American Rescue Plan Act dollars and whether or not there would be funds left over. City Administrator Cziok recommended adopting a storm water utility ordinance.

Council Member Kotelnicki expressed concern relating to the library exterior. She shared the Library Board requested the library exterior be addressed in 2018 and maintenance should have been done years ago. She is concerned about projects waiting a long time and discussed addressing it when the City has fund transfers. She is concerned about other projects being addressed through year end transfers and the decision process. Council Member Kotelnicki shared that she received feedback concerning the public works facility. Mayor Johnson said the City is not meeting the needs. City Administrator Cziok suggested further discussion at a work session.

City Administrator Cziok reviewed the graphs including the original FMP tax rates and local levy supplied by Ehlers in relationship to the adjusted FMP. He discussed options for the Council to consider which include approving the edited financial calendar, adding Commercial Street back in with a storm sewer utility ordinance, evaluating and fixing the library exterior needing repair and re-evaluating the library again in 2024, accomplishing downtown alleyways block by block starting in 2026, and leaving the Wellness/Recreation Center to the public to vote on.

Council Member Allen agreed with the library repairs. Council Member Dingmann agreed that if it is critical it needs to be fixed. Council Member Kotelnicki compared the previous tax impacts of 39.65% with the original CIP presented to now at 24.94% resulting in a 25% increase in taxes along with rate increases. Mayor Johnson shared that there is a cost in accomplishing the projects and stressed the need to continue to move forward. Council Member Dingmann expressed concern about using the American Rescue Plan Act dollars for one project. City Administrator Cziok suggested not making a decision on the American Rescue Plan Act dollars at this time. Council Member Kotelnicki shared concerns about the 25% increase and wanted it on public record. Mayor Johnson responded that he wanted it on public record that it is a 25% increase over 5 years.

City Administrator Cziok explained that the CIP document is guiding staff with a plan. He expressed concern at where we are at tonight. He discussed Civic Arena needs and the inability to maintain what we have. Council Member Allen inquired about the Civic Arena and potential funding available through the Mighty Ducks program. City Administrator Cziok responded that the funds are limited and the City has received \$50,000 in the past for needs. Council Member Kotelnicki questioned whether the City had an emergency plan. City Administrator Cziok responded that the City would need to issue debt and that there would be bidding requirements.

Council Member Kotelnicki questioned why the City isn't doing the South Sibley Watermain project. City Administrator Cziok explained that the East Pleasure looping project allows the City to repair without interrupting the services. Mayor Johnson shared that there will always be the unknown.

Mayor Johnson requested consideration of adding the Memorial Park parking lot project back into 2022. He explained that the area sees a lot of usage. It was moved by Mayor Johnson, seconded by Council Member Carlson, that the Memorial Park parking lot project be added back in the proposed adjusted CIP document and scheduled in 2022. Upon roll call vote, all members present voted aye, with the exception of Council Member Kotelnicki voting nay, whereupon the motion carried.

After review, it was moved by Mayor Johnson, seconded by Council Member Carlson, to adopt the following:

**CITY OF LITCHFIELD
RESOLUTION NO. 22-2-24
APPROVAL OF 2022-2026 CAPITAL IMPROVEMENT PLAN (CIP)**

WHEREAS, the Council has been in the process of developing a Capital Improvement Plan (CIP) document; and

WHEREAS, a financial management plan (FMP) was prepared; and

WHEREAS, the Council determined that the proposed CIP be broken down into essential and non-essential services; and

WHEREAS, administration provided an updated CIP with non-critical services removed,

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Litchfield hereby approves the 2022-2026 Capital Improvement Plan (CIP) as presented and recommended by administration, and

BE IT FURTHER RESOLVED that the Memorial Park parking lot project be included in said CIP document.

Adopted by the City Council this 7th day of February, 2022.

Approved:

Attest:

MAYOR

ASSISTANT CITY ADMINISTRATOR

Upon roll call vote, all members present voted aye, whereupon the resolution was declared adopted.

B. LITCHFIELD AREA RECREATION CENTER –

City Administrator Cziok reviewed the considerations for Council relating to the Litchfield Area Recreation Center provided in the memo included in the agenda packet. The considerations include seeking tax impact information from Ehlers based on the project when defined, seeking operations/maintenance costs for the proposed facility, drafting/authorizing an operations agreement with the school district, consulting with bond counsel on what is required

for a referendum question, and authorizing a sales tax referendum. Mayor Johnson discussed requesting additional funding from the State of Minnesota. Upon request of Council Member Dingmann, Council Member Kotelnicki provided the language relating to the criteria for meeting the bond requirements. City Administrator Cziok was requested to share the criteria via email with the entire Council. Council Member Dingmann questioned whether the City would be allowed to repurpose the funds if the proposed project got voted down. He inquired whether the school and city would be proposing a referendum at the same time. Council Member Carlson questioned about a \$7 million to \$7 million match. Council Member Kotelnicki expressed concern about overspending. Council Member Carlson said the goal is to not burden taxpayers, adding the City needs to look at the possibility of Dean getting the City additional dollars, seeking other entities that may help, and finding different ways to fund.

Council Member Dingmann wants accurate information concerning the operational deficit. Council Member Kotelnicki responded that the operational costs are dependent on the plan and more information is needed. Council Member Allen feels that \$19 million is too much money. She shared feedback received relating to concerns on taxpayers having to pay admission if paying taxes. She needs to know the operational costs. Council Member Kotelnicki asked the Council what is the dollar figure they feel comfortable with. Council Member Dingmann responded with \$12 million. He questioned whether there had been consideration of building it in phases. The Litchfield Area Recreation Center representatives took notes to bring back to the entire committee for consideration. No formal action was taken.

C. HOUSING DISCUSSION –

1. City Owned Lots –

City Administrator Cziok reviewed the discussion from the previous work session in which there appeared to be consensus in evaluating proposals on a case-by-case basis. He inquired again as to the Council's interest and shared he is not clear on the direction the Council is going on relating to housing. His advice remains the same in that proposals be evaluated on a case by case basis.

2. Advisor Group Request –

Mayor Johnson offered information concerning all the housing and development that has been accomplished. Council Member Carlson recommended the first step would be to meet with the group experienced with housing development to be arranged through Center Bank President Al Liestman. Council Member Kotelnicki questioned the 2015 housing study and the recommendations that were presented but never acted on.

3. Committee Expectations –

City Administrator Cziok discussed expectations of the Housing Committee without having received any authority or direction from the Council at this point.

Upon further discussion, it was moved by Council Member Allen, seconded by Council Member Dingmann, that the Council consider any proposals for City owned lots on a case-by-case basis following a detailed report from the City Planner. Upon roll call vote, all members present voted aye, whereupon the motion carried.

The Council discussed who should meet with the advisor group. The Council discussed holding a work session prior to the next Council meeting and inviting several parties to discuss housing. Administration was requested to ask the housing advisor group how much time they needed and what date they are available to meet. The Council determined that they would like a half hour break prior to the City Council meeting. It was moved by Mayor Johnson, seconded by Council Member Dingmann, to arrange for a work session to include the City Council, staff, Meeker County EDA Representative Lisa Graphenteen, Center Bank President Al Liestman and his housing advisor contacts from Chaska prior to a future Council meeting with the date and time to be determined. Upon roll call vote, all members present voted aye, whereupon the motion carried.

D. LABOR AGREEMENT – PUBLIC UTILITIES –

Council Member Dingmann provided a summary of the results of the negotiations with the International Union of Operating Engineers, Local No. 70 Public Utilities.

After review, it was moved by Council Member Dingmann, seconded by Council Member Carlson, to adopt the following:

**CITY OF LITCHFIELD
RESOLUTION NO. 22-2-22
APPROVING 2022-2024 LABOR AGREEMENT WITH
INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL NO. 70
PUBLIC UTILITIES**

WHEREAS, certain City employees are members of three unions; and

WHEREAS, all labor agreements expired as of December 31, 2021; and

WHEREAS, Council Member Dingmann, representing the Personnel Committee, and administration have been meeting with union representatives from the International Union of Operating Engineers, Local No. 70 Public Utilities; and

WHEREAS, the Public Utility employees represented by the International Union of Operating Engineers, Local No. 70 have voted and accepted the most recent city proposal as summarized in the memo from administration,

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Litchfield hereby approves of the 2022-2024 Labor Agreement with the International Union of Operating Engineers, Local No. 70 Public Utilities.

Adopted by the City Council this 7th day of February, 2022.

Approved:

Attest:

MAYOR

ASSISTANT CITY ADMINISTRATOR

Upon roll call vote, all members present voted aye, whereupon the resolution was declared adopted.

IX. ADDITIONAL ITEMS – None.

X. ANNOUNCEMENTS –

A. NEXT COUNCIL MEETING –

The next Council meeting will be held on Tuesday, February 22, 2022 due to Presidents’ Holiday.

B. FIRE AND RESCUE CONTRACT HOLDERS MEETING-

The annual Fire/Rescue Contract Holders meeting will be held at the Fire Hall on Wednesday, February 16, 2022 at 7:00 p.m.

XI. ADJOURNMENT –

The City Council meeting adjourned at 7:26 p.m. by unanimous consent.

February 7, 2022

Approved:

MAYOR

Attest:

ASSISTANT CITY ADMINISTRATOR

P:\COUNCIL MINUTES\CC 2-07-2022