

**BIG LAKE CITY COUNCIL
WORKSHOP MINUTES**

JUNE 8, 2022

1. CALL TO ORDER

Mayor Knier called the meeting to order at 5:00 p.m.

2. ROLL CALL

Council Members present: Ken Halverson, Sam Hanson, Paul Knier, Kim Noding, and Paul Seefeld. Also present: Interim City Administrator Hanna Klimmek, City Clerk Gina Wolbeck, Finance Director Deb Wegeleben, City Engineer Layne Otteson, Liquor Store Manager Greg Zurbey, Water/Wastewater Superintendent Dan Childs, Big Lake Student Liaison Ella Dotzler, Big Lake Student Liaison Allie Cross, and Consultant Sharon Klumpp from BakerTilly.

3. PROPOSED AGENDA

Council Member Seefeld motioned to adopt the proposed Agenda as presented. Seconded by Council Member Halverson, unanimous ayes, Agenda adopted.

4. BUSINESS

4A. Police Chief Recruitment Discussion

Sharon Klumpp from Baker Tilly presented an update on the recruitment process for the hiring of the Police Chief position. Klumpp reviewed discussions with the Personnel Committee who asked that the full Council be included in discussions regarding backgrounding and interviewing of finalists. Klumpp recommended the City use Gary Cayo from Cayo & Associates to assist in the background investigation process. The scope of services that has been discussed includes education verification, driving history, criminal/civil history, personnel file review, licensure, and references from within the candidate's department. Klumpp also noted that her firm will check references from people outside of the candidate's departments and run a credit history. If the City wants to expand the scope of services for the background investigations to include talking to neighbors, Mr. Cayo has indicated that the cost per candidate would at least double due to location being a factor in the overall cost.

Council Member Seefeld asked what Cayo and Associates rates will be and if they will be similar to Oakdale. Klumpp responded that the hourly rates will be the same as Oakdale, and the number of hours is expected to also be comparable, depending on the extent of the investigations.

Council Member Noding asked if the backgrounds will be done after we choose finalists. Klumpp discussed the backgrounding process.

Council Member Halverson asked if we have out-of-state applicants and questioned how in-person backgrounding would be done for those candidates. Klumpp responded that she will be looking very carefully at that, noting that we want people that have a good idea of our area.

Klumpp also provided suggestions on the interview process, noting that developing the process becomes easier when we know the exact number of candidates that will be interviewed. Klumpp recommended the City interview between 4 to 6 candidates, which could include an individual tour, meeting with Department Heads, establishing a technical panel that would include 3 to 5 sworn command officers, a community panel that would consist of 5 to 6 individuals who have a deep understanding of the City, as well as the final interview panel consisting of the full City Council. Klumpp also noted that it is the City Council's discretion to decide on the number of rounds of interviews to hold. Klumpp also reviewed that the proposed interview dates are scheduled for July 11 and 12 and noted that the City Council interview is open to the public and is conducted at a special meeting, but all other interview panels are closed. The City Council is the only interview panel to rank candidates, and all other interview panels will comment on only strengths and concerns. Feedback is generally gathered by an electronic survey and presented to the City Council following its candidate interview, giving Council Members the opportunity to formulate their own opinions before reviewing the opinions of others.

Council Member Noding asked if we will be discussing and deciding who will sit in the interview panel. Klumpp responded that Staff will be working to determine who the panel will consist of.

4B. Water Meter Discussion

Dan Childs reviewed the June 1, 2022 memo provided by SEH relating to water meter replacement alternatives and cost analysis. Brad Weiss from SEH discussed deficiencies in the City's current water meter infrastructure including antiquated meter reading system, lack of leak detection alarms, and lack of tamper alarms. A change is recommended to the water metering infrastructure to improve the meter reading technology and water meters could include an automated meter reading system (AMR) that uses radio technology, or an advanced metering system (AMI) that uses radio or cellular technology. Weiss presented a cost comparison for various alternatives including both upfront capital costs as well as costs over a 20-year period. Alternate No. 1 would be a new water meter touch read system using the current vendor to read the meters which is RMR. Alternate No. 2 is a new water meter touch read system using City Staff to read the meters. Alternate No. 3 would be an AMR drive-by reading technology utilizing City Staff to drive the routes to collect meter reading data. Alternate No. 4 would be an AMI Radio meter system with radio reading technology. This alternate assumes that the approximately 700 existing modern iPERL meters are kept and a new endpoint is installed on the existing meter. Alternate No. 5 would include the City acquiring new meters and endpoints to upgrade the system to an AMI system with radio reading technology. This would include replacing the 700-existing modern iPERL meters. Weiss noted that the AMI systems have a higher capital cost but the advanced features result in cost savings over the 20-year lifecycle period. The primary difference in the 20-year cost between the alternatives is estimated water loss. With the real time leak alarms provided by an AMI system, the water loss is estimated to be significantly reduced. The AMR and touch read systems do not have real time leak alarms so leaks will only be noticed once the reads are calculated. Weiss identified that the lowest 20-year operating cost is presented in Alternate No. 4 which is the AMI system keeping the existing iPERL

meters. The lowest upfront cost is presented in Alternates No. 1 and 2 which maintains the existing touch read system. Alternate No. 2 is the highest 20-year cost, and Alternate No. 1 will likely not be an option in the near future as the meter read companies stop offering this read service. Weiss noted that it is recommended that the City consider upgrading their metering system and if the City chooses to pursue the lowest cost option over the 20-year meter life cycle, it is recommended that the City pursue Alternate No. 4.

Council Member Noding asked how quickly leaks can be detected if caught earlier. Weiss responded that the new meters operate in a way that if there is low water flowing, an alert would come up after 24 hours to City Staff, and noted that some platforms also provide the ability for the resident to view their water usage. Noding also asked if utility rates would be affected if we can eliminate the need for meters to be read manually. Wegeleben responded that we shouldn't have to continue to raise our rates and noted that our goal would be to eventually lower rates as theoretically, the cost will go down.

Mayor Knier asked how often the meter would get pinged. Weiss reviewed the different styles of meters, noting that they would get pinged when touching the house meter, and the other style would be when the drive-by happens. Weiss estimated that the meter could ping every 4 to 6 hours depending on how the system gets set up. Weiss also noted that RMR is the only company who does meter reads anymore. Knier discussed that he has an issue with constant surveillance by the government. Council Member Halverson responded that at least people would know they have a leak. Knier responded that it is a trade-off. Knier asked how many of the 4,000 meters that we currently have, how many people come in to complain. Dan Childs reviewed examples of leaks that have happened in the City where thousands of gallons of treated water were wasted from undetected leaks. Deb Wegeleben reviewed that the mobile home park had a leak of over 1 million gallons which would have been caught much sooner with the newer meters. Wegeleben also noted that we have to adjust 3 to 4 households a month that have leak issues. Knier stressed that government surveillance is a fear for many people, and Weiss commented that it can be a common concern for communities. Weiss noted that with a surcharge to the homeowner, the City could allow a resident to opt-out and stick with the standard touch read system and have staff read their meters. Mayor Knier asked on average, what percentage of residents choose to opt-out. Weiss indicated that it has historically been a very low percentage, estimating that out of 5,000 meters, he has seen maybe 3 opt-out. Knier stated that this option is where he probably is going to land. He stated that he feels we need to have an opt-out option, but that we shouldn't punish people for wanting to opt-out. Halverson expressed that all residents and businesses should have to have a new water meter to ensure meter reads are correct and accurate, and Wegeleben noted that with the old meters, they might not be paying for the water they are actually using. Weiss confirmed that we could install a new water meter and use the current touch read technology for those individuals that request it. Knier asked for clarification on if they wouldn't get pinged then, and Weiss indicated that Knier is correct in that the meter won't get pinged. It was discussed that if everyone is paying their true fair share, rates should go down. Knier asked why option 3 has a higher capital cost when we won't have to put up a tower. Weiss reviewed that there should be another alternate option between 3 and 4 that would leave the 700 current meters. Knier stressed that he would like to see privacy protected. As a City we shouldn't be able to share the data with any other department. Childs reviewed that there will be customized alarms that can be set in certain flows, noting that we only will want to monitor the flow of water. Council Member Seefeld asked if the new system will record water usage at all times. Weiss reviewed that the AMI system

sends back information approximately every 6 hours, and clarified that it won't show minute increments. Seefeld asked if the system could be reset in the future. Weiss responded that it would depend on the manufacturer, but he doesn't believe any of the current manufacturer can do instantaneous reads.

Council Member Halverson asked if the software will be stored on the City's computers. Weiss reviewed the software install and data hosting costs, and noted that we will be able to control who can see the reads. Seefeld discussed that he is in favor of Alternates 2, 3, and 4. Halverson discussed that whatever system we decide on, it all needs to be the same system, and noted that he likes Alternate No. 4 which will allow a resident to opt-out. Weiss explained that different alternates cannot exist in the same system, noting that the City will need to have just one system.

Mayor Knier discussed concerns with potential hacking issues with the smart meters. Weiss responded that these AMI systems are operating on the same radio principals as garage doors which are on public frequencies, so someone with malintent could potentially hack into the system. Halverson stated that any computer system can be hacked. Knier stressed that if we are concerned with losing water, it is a valid concern. Weiss indicated that he will contact the manufacturers to get more information.

Staff asked if Council would like to move forward with a Request for Proposal (RFP) on both an AMR system and an AMI system. Council directed Staff to move forward with sending out an RFP for the AMR and AMI systems.

Council Member Hanson motioned to recess the June 8, 2022 Council Workshop at 5:55 p.m. until immediately after adjournment of the June 8, 2022 Regular Council meeting. Seconded by Council Member Noding, unanimous ayes, motion carried.

Council Member Seefeld motioned to reconvene the June 8, 2022 Council Workshop at 7:02 p.m. Seconded by Council Member Noding, unanimous ayes, motion carried.

Those in attendance after reconvening included Council Members Ken Halverson, Sam Hanson, Paul Knier, Kim Noding, and Paul Seefeld. Also present: Interim City Administrator Hanna Klimmek, City Clerk Gina Wolbeck, Finance Director Deb Wegeleben, City Engineer Layne Otteson, Acting Police Chief Sam Olson, Liquor Store Manager Greg Zurbey, Water/Wastewater Superintendent Dan Childs, and Big Lake Student Liaison Ella Dotzler, and Big Lake Student Liaison Allie Cross.

Deb Wegeleben confirmed that if the City does decide to go with the AMI system, we can allow people to opt-out with a surcharge. Wegeleben also reviewed that funding for the project would come from designated ARPA funds the City has received, with the remainder coming from the Sewer CIP fund so the City's costs will be cash funded.

Council Member Noding asked for more information on if the new system will allow us to only ping once a month. Dan Childs reviewed that meter companies have indicated that the lowest number of pings would be every 8 hours. Mayor Knier stressed that people are concerned about the EMF's. Child's noted that the manufacturers would be the ones who can provide more information on that, but noted that we wouldn't want to go to pinging only once a month.

4C. Discuss Staffing Analysis Study and Market Compensation Study

Deb Wegeleben reviewed discussions with the Personnel Committee regarding the City conducting a staffing analysis study and a market compensation study. The Personnel Committee requested to get feedback from the full Council on whether to move forward with these studies. Wegeleben reviewed that the City completed a full compensation study in 2015, with implementation of the current pay plan in 2016. In 2018, the City did a limited scope organizational study to determine the staffing needs in Public Works and the Administrative Staff at City Hall; however, the City has never done a complete staffing analysis study. The overall objective of a staffing analysis study is to assess the current staffing levels for every City department and to also provide a strategic direction for staffing and service delivery for the next 10 to 15 years. With a market comparison study, Staff would be asking consultants to compare the City's current pay plan to plans in comparable cities. Wegeleben noted that three consultants were contacted for soft costs to perform these types of studies and we received two back, from David Drown and BakerTilly. David Drown indicated that the staffing analysis would be around \$42,000 and would not be able to be completed until this Fall. The market compensation study would be approximately \$10,000 and could be started immediately. The BakerTilly quote indicated that the staffing analysis study would cost \$30,000 and the market compensation study would be approximately \$15,000, both of which could start immediately. Wegeleben explained that staff would need to define the exact scope of the project with both firms to refine true costs. Wegeleben also reviewed benefits of conducting the studies and noted that the costs for the studies would be allocated from the Administration/Finance CIP funds.

Mayor Knier asked what happens if the study comes back that we are nine employees short. Wegeleben reviewed that the survey would be used as a guide on what the best staffing level is based on population, business growth, and services needed, but won't require that additional staff be hired.

Council Member Hanson reviewed discussions at the Personnel Committee regarding these studies. Hanson explained that they decided not to do a large market rate adjustment this year, in anticipation of adjusting pay based on market rate.

Council Member Halverson discussed concern with cities comparing pay to other cities, and eventually each is raising pay structures just because the other ones did. Wegeleben noted that while both studies are warranted, Staff is more interested in completing the staffing analysis. Wegeleben also discussed that the City historically has been staying in the middle of the road as far as pay scale.

Mayor Knier asked if the study will do a comparison community to community. Wegeleben explained that the study will include communities that offer the same types of services that we provide. The staffing analysis study will also include interviews with current staff, and Wegeleben noted that we do an internal compensation study every year already. Hanna Klimmek discussed that she believes staff appreciates that we do an internal study every year. Council discussed that we need to remember that taxpayers are the ones paying for these studies. Knier asked Staff why they came to work for the City. Wegeleben responded that she liked the feel of Big Lake.

Council Member Noding asked how often these types of studies are generally done. Wegeleben responded that cities redo these types of studies approximately every 7 to 10 years.

Council Member Hanson asked where the funding will come from to pay for the studies. Wegeleben responded that the City has been setting aside funds in the Administration and Finance CIP Funds.

Council directed Staff to move forward with conducting both a Staffing Analysis Study and a Market Compensation Study.

4D. Discuss Police Department Structure

Deb Wegeleben reviewed the current staffing structure within the Police Department that was brought to the Personnel Committee for review due to preliminary budgeting for 2023. In the 2022 Budget, the former Police Chief eliminated the Deputy Chief position and replaced it with a Patrol Officer. Staff, as well as the Personnel Committee recognize the importance to have a second-in-command for the Department, and proposed a restructure to include a Police Captain that would serve as Acting Chief in the event the Chief position was vacant. The requested change in structure would not add any additional staff, but would allow for the Police Department to seamlessly function if the Department experiences a vacancy in the Police Chief position. Wegeleben also noted that once the new Chief is hired, the two vacant Sergeant positions will need to be internally filled.

Council directed Staff to move forward with budgeting for a Captain position in 2023.

4E. Towing Contract Discussion

Hanna Klimmek reviewed past discussion on towing services the Police Department uses to haul vehicles that are seized in forfeiture cases or vehicles that need to be transported from public roadways due to accidents or becoming otherwise disabled. Klimmek discussed that since 2017, the City has contracted with Bob's Towing and Recovery, Inc. Since that time, one other towing service provider has reached out to the City inquiring about the possibility of providing service to the City. Klimmek reviewed that when vehicles are in accidents or become disabled, the owner of the vehicle can opt to use their own towing company, or the Police Department will refer the owner to the city's service if the owner has no preference. The city is not billed for vehicles in accidents, or vehicles that become disabled, as those costs are passed along to the vehicle owner. Sam Olson, Acting Police Chief, had a recent conversation with Bob's Towing who indicated that they charge vehicle owners the flat rate that's listed in their contract with the city in addition to a storage fee, both of which are not outlined in the current contract. Recently, Bob's Towing has also added a gas surcharge due to the price point of gasoline, which is also not outlined in the contract. Currently, the City only incurs expenses for the vehicles that are towed for forfeiture purposes, or if a city vehicle becomes disabled and needs transport. Since 2017, the City has paid \$5,204 to Bob's Towing for its services. Klimmek reviewed a breakdown of the fees established by the contract. Klimmek also reviewed that at the February 9, 2022 Council Meeting, Council directed Staff to put together a draft request for proposal for City towing services and bring back to the next Council Workshop for further review. Klimmek asked for further discussion from Council on what they would like to see written into the RFP.

Council Member Seefeld asked if putting towing services out for bid will cost us money. Klimmek responded that the City won't incur any costs to send out a bid. Seefeld stated that he is alright with staying as is.

Council Member Halverson stressed that the 2017 contract is a terribly written contract as it doesn't have anything to do with towing fees to an individual. Halverson noted that whoever tows for us is an arm of our Police Department. Halverson stated that the City needs to go out for quote and come back with a clear contract, noting that we are here to protect our taxpayers and the members of our community. Halverson stated that this is an open market, and feels it would be government overreach if we don't go out for quote for these services.

Council Member Seefeld asked if Bob's Towing is still under contract. Council Member Halverson explained that the contract expired in 2018. Sam Olson indicated that Halverson is correct in that we have an expired contract, but explained that the same terms of the original contract are still being offered. Olson stated that he stands behind Bob's Towing services, but feels the contract language needs to get cleaned up. Mayor Knier discussed that if we decide to open it up for bid, the contract should state exactly what can be charged. Council Member Halverson reviewed minutes from the February 9, 2022 Council Meeting, noting that Staff just needs clear direction.

Council Member Hanson asked how many forfeiture tows were done since 2017, and inquired if rates have remained the same the entire time. Hanson also asked for clarification on if Bob's Towing charges the City every time they do a tow for us. Deb Wegeleben responded that the City has paid Bob's Towing and Recovery approximately \$5,000 over the past 5 years.

Council Member Halverson stated that he sees no reason not to bid the services out. Council Member Hanson responded that if we do bid it out, the rates will increase because the rates we currently pay are at 2017 rates, and with fuel prices the way they are, the bids will come back with a fuel surcharge.

Council Member Noding discussed that we did have a person speak during open forum in February 2021 who asked the City to do an RFP for towing services. Noding also noted that Bob's Towing might come back with the same rates as they offered in 2017.

Mayor Knier reviewed that we did say a year and a half ago that we would look at this. Knier noted that he is siding with Halverson on this, and thinks it would be the fair thing to do to put the towing services contract out for bid, noting that it would be the transparent thing to do.

Council Member Seefeld discussed that if we choose to just renew their contract, they could increase their prices. Wegeleben reviewed that if we do an RFP, we want a quote that will list all City costs. Council also discussed if private towing prices would be included in the new contract. Wegeleben clarified that the only towing costs that should be included in our contract should be towing services that the City initiates.

Council directed Staff to open up a Request for Proposal for City initiated towing services.

4F. Discuss Advertising for Upcoming Police Officer Position Vacancy

Sam Olson informed Council that Officer Todd Siebert has submitted his advance resignation notice noting November 1st as his retirement date. Staff would like to post this vacancy to replace Siebert at the end of June so they can find a qualified candidate with previous law enforcement experience and offer a lateral pay for that type of candidate. The hope would be to start the new officer September 1, 2022 so that officer can be done with the required training process when Officer Siebert retires. This would eliminate issues with short staffing and having to cover shifts with overtime. Olson reviewed the FBI standard for Police Officer ratio per 1,000 residents, noting that we have been running at bare minimum for at least 4 years.

Council Member Halverson asked how long we have been at 13 officers. Olson responded that we have fluctuated between 12 to 14 officers. Halverson noted that during this time, our population has increased, but our department hasn't.

Council Member Noding stated that it makes sense to start advertising the vacancy now. Noding also noted that there needs to be discussion on Department staffing levels at some point, and Mayor Knier noted that the study we just approved will look at staffing levels.

Council Member Seefeld stated that it is good to be at full staff when training replacements.

Council directed Staff to move forward with advertising to fill this position.

4G. Schedule Interim City Administrator Performance Evaluation

Deb Wegeleben reviewed discussion with the Personnel Committee regarding the Interim City Administrator position, and the option to go to Closed Session at the second meeting in June to evaluate the performance-to-date of Hanna Klimmek. Staff will be asking for Council feedback after the review to determine if it is necessary for Klimmek to complete the entire six-month trial period before determining if she should be offered the City Administrator position, or if Council feels the position should be advertised immediately, with Klimmek remaining as Interim Administrator until the position is permanently filled. Wegeleben noted that per direction from the Personnel Committee, a survey was sent to all full-time City employees seeking feedback regarding the job performance of Klimmek while she has been serving as the Interim City Administrator. The results will be provided to Council and will be utilized during the review process. Wegeleben also noted that each Council Member will be asked to complete an evaluation form as well. If Council wishes to offer Klimmek the City Administrator position now instead of waiting until the six-month trial period has ended, Staff recommends the Council authorize staff to immediately advertise both internally and externally, seeking applicants to fill the Community Development Director position. Wegeleben also noted that Staff recognizes that the City Administrator position is a very important position for the City, and stressed the need to permanently fill the position, noting an immediate need in the Community Development Department for a Director that can focus 100% on the needs of the department, as well as ensuring the BLEDA Executive Director responsibilities are covered that this position is responsible for.

Council directed Staff to facilitate a Closed Session during the next Council Meeting on June 21, 2022 to hold a performance evaluation for Interim City Administrator Hanna Klimmek.

5. OTHER

Council Member Seefeld discussed the upcoming CMRP Meeting where the group will be discussing possibly limiting the focus of the CMRP. Seefeld explained that this request has come from the City of Becker, and asked for Council feedback. Council discussed that the more we spend away from the bridge study, the less money goes towards that. Mayor Knier noted concern with how the current structure seems like more of a mini Met Council. Council discussed that the Highway 25 Coalition was originally put together to focus on a future bridge crossing, so we need to just focus on that.

6. ADJOURN

Council Member Seefeld motioned to adjourn at 7:53 p.m. Seconded by Council Member Hanson unanimous ayes, motion carried.

Gina Wolbeck

City Clerk

June 21, 2022

Date Approved By Council