Pursuant to due call and notice thereof, the regular meeting of the Brainerd City Council was called to order at 7:30 P.M. by Council President Bevans.

Upon roll call, the following members were noted as present: Stunek, Terry, Stenglein, Johnson, O'Day, and Bevans. Mayor Badeaux was noted as present. Member was Czeczok noted as absent.

Council President Bevans opened the meeting with the Pledge of Allegiance to the flag.

MOVED AND SECONDED BY COUNCIL MEMBERS JOHNSON AND STUNEK, DULY CARRIED, TO APPROVE THE AGENDA.

MOVED AND SECONDED BY COUNCIL MEMBERS STUNEK AND STENGLEIN TO APPROVE THE CONSENT CALENDAR.

A. **Approval of Bills**
B. **Approval of Minutes**
    a. **Regular City Council Minutes December 4th, 2023**
    b. **Special Council Meeting Minutes December 11th, 2023**
C. **Approval of Licenses**
D. **Department Activity Report**
E. **Approve Tobacco License for Northern Tier Retail LLC, DBA Speedway 4076, 1223 S 6th Street**
F. **Approve Secondhand Auto License- East Side Auto, 413 Washington St NE**
G. **Approve Temporary Liquor License Submitted by the Brainerd Jaycees for an Event to be held at 602 S 5th Street on February 2nd, 2024- Contingent on Approvals**
H. **Approve Engagement Letter Between Baker Tilly and City of Brainerd**

Upon roll call, Council Members, Stunek, Terry, Stenglein, Johnson, O'Day and Bevans. voted "aye". No member voted "nay". The Chair declared the motion carried.

Presentation

Community Member of the Month

Mayor Badeaux recognized Janelle Sanderson as Community Member of the Month for her work and dedication to the Community Meal served each Thanksgiving. This year's meal served 1,400 meals to community members.

The Brainerd Community Action Annual Presentation

Dave Badeaux, Brainerd Community Action, gave an overview of Community Action processes and budget.

Katie Deblock, Brainerd Community Action Board Member, thanked the Council for their continued support.

Council Committee Reports

Personnel and Finance Committee

Approve Shared Services Agreement with the Brainerd EDA

Committee Chair Johnson stated that Staff started tracking their time spent on EDA initiatives. The EDA approved their budget to include the $17,000 requested by the City to cover salaries.

MOVED AND SECONDED BY COUNCIL MEMBERS JOHNSON AND STUNEK, DULY CARRIED, TO APPROVE THE 2024 SHARED SERVICES AGREEMENT WITH THE EDA IN THE AMOUNT OF $17,000.

Accept Resignation of Assistant Planner Dylan Edwards

MOVED AND SECONDED BY COUNCIL MEMBERS JOHNSON AND TERRY, DULY CARRIED, TO ACCEPT MR. DYLAN EDWARDS RESIGNATION EFFECTIVE DECEMBER 15, 2023; FURTHER, TO APPROVE THE UPDATED JOB DESCRIPTION AND AUTHORIZE STAFF TO BEGIN THE HIRING PROCESS TO BACKFILL THE ASSISTANT PLANNER POSITION.

Consider Using Local Program Income Funds for Demolition of Structure at 426 B Street

Committee Chair Johnson stated that the EDA approved the use of the funds for this purpose. The fund has about $102,000 balance. The HRA identified the property as a good use of the funds to prep the site for a new single-family to be built by Habitat for Humanity.

MOVED AND SECONDED BY COUNCIL MEMBERS JOHNSON AND TERRY, DULY CARRIED, TO AUTHORIZE THE USE OF LOCAL PROGRAM INCOME FUNDS TO BE USED FOR 50% OF THE ASBESTOS ABATEMENT AND DEMOLITION OF THE STRUCTURE AT 426 B STREET, NOT TO EXCEED $15,000.

Discussion on Joint Powers Agreement for Lakes Area Drug Investigative Division (LADID)

Committee Chair Johnson stated that the Joint Powers Agreement for LADID is up for auto renewal. The partners are not requesting any changes, the item is for discussion for Council if there are any proposed changes Council may have.

Update Regarding New Earned Safe and Sick Time Law/Policy

Committee Chair Johnson stated that the State of Minnesota passed the Earned Safe and Sick Time Law this last session. The law was directed more to the private sector, however, it does currently apply to the public sector. HR Director Schubert provided an update in the packet.

Consider Approval of the Social Media Policy

MOVED AND SECONDED BY COUNCIL MEMBERS JOHNSON AND STUNEK, DULY CARRIED, TO APPROVE THE ATTACHED SOCIAL MEDIA POLICY AS PRESENTED.

Adopt Resolution Authorizing Housing Trust Fund Levy to Crow Wing County

Committee Chair Johnson stated that in order to pass a resolution on this matter a public hearing must be held first. The public hearing will be held on January 16th during the City Council meeting. The tax increase would be shown in the County's tax line items.

Safety and Public Works Committee

Final Pay Request - Improvement 22-10 Graydon Outfall

Committee Chair O'Day stated that this was an improvement that was budgeted at just over $50,000.

MOVED AND SECONDED BY COUNCIL MEMBERS O'DAY AND STENGLEIN, DULY CARRIED, TO APPROVE THE FINAL PAY REQUEST FOR IMPROVEMENT 22-10 - GRAYDON OUTFALL IN THE AMOUNT OF $56,816.

Approve Construction Testing Proposal for Buffalo Hills Gully Remediation Project

Committee Chair O'Day stated that this is the gully remediation materials testing.

MOVED AND SECONDED BY COUNCIL MEMBERS O'DAY AND STENGLEIN, DULY CARRIED, TO AUTHORIZE THE QUOTE WITH ITT IN THE TOTAL AMOUNT OF $1,880.

Award Street Scanning Proposal

City Engineer/Public Works Director Dehn gave an overview of the proposals. In 2024 there is $35,000 budgeted from construction 401 fund for the street scanning software. Staff recommended awarding the Good Pointe for tasks 1, 2, and 3 in the amount of $59,640.

Committee Chair O'Day asked about where the funding for this project would come from and whether it is included in the budget previously presented at 6.24%.

City Engineer/Public Works Director Dehn stated that the funds would come from fund 401 which the City levies for each year.

Finance Director Hillman stated that this is a part of the permanent improvement fund that is authorized by the Charter to set a fixed levy for the purpose of improvements each year. It is set at 6% for 2024. It would not cause an increase in the levy for 2024.

Member Johnson stated that he would rather not award the contract.

Committee Chair O'Day stated that he supports street scanning as a way to protect against subjectivity and objectively analyze the condition of our streets. Street scanning would be a way to prioritize streets that need to be repaired. He doesn't see as much value for the sidewalks and signs.

Member Johnson stated that in a rough budget year he does not believe the City needs to be taking on additional costs. He will be voting no.

Member Terry stated that she supports the purchase but on a smaller scale since it is budgeted and under the budgeted amount.

Member Stenglein stated that in a different budget year she would have supported option 2.

Chair Bevans stated he could support this in the future.

MOVED AND SECONDED BY COUNCIL MEMBERS O'DAY AND STENGLEIN TO AWARD THE STREET SCANNING CONTRACT TO GOODPOINTE FOR TASK 1 AT A COST OF $19,340 IN ADDITION TO THE SOFTWARE SETUP COST.

Members Terry and O'Day voted "aye". Members Stunek, Stenglein, Johnson, and Bevans voted "nay". The Chair declared the motion failed.

Direction on Active Code Enforcement

Committee Chair O'Day stated the owner of the property has not been in contact with Community Development at all.

MOVED AND SECONDED BY COUNCIL MEMBERS O'DAY AND STENGLEIN, DULY CARRIED, TO ISSUE A $300 CITATION EVERY MONTH TO 319 9TH ST N UNTIL PROPERTY MAINTENANCE ISSUES HAVE BEEN CORRECTED.

Informational- Regarding $25 Million Grant for Highway 210/Washington Street Reconstruction Project

City Engineer/Public Works Director Dehn stated that MnDOT was successful in being awarded $25 million in federal grant dollars. MnDOT will start talks with the City to determine how the grant can be utilized how much of the $7 million of the City's portion of the project is grant eligible.

Member O'Day asked about the possibility of using the funds for utilities or the recently approved decorative lighting.

City Engineer/Public Works Director Dehn stated that the use for utilities and lighting may be a possible eligible expense with the grant.

Mayor Badeaux thanked Senator Klobuchar for reaching out to him speaking of this project.

Unfinished Business

Commission Appointments

Mayor Badeaux recommended Karen Johnson and John Stubbs to the Library Board.

MOVED AND SECONDED BY COUNCIL MEMBERS TERRY AND STUNEK, DULY CARRIED, TO APPOINT KAREN JOHNSON AND JOHN STUBBS TO THE BRAINERD LIBRARY BOARD.

Call for Applicants – Informational:

Mayor Recommended: (terms to expire on 12/31 of said year)
Charter Commission – 2 terms (Expire 2026) 2 terms (Expire 2025)
HRA 1 term (Expire 2029)
Library Board- 1 term (Expire 2030)
Parks & Rec- 1 term (Expire 2029)
Public Utilities- 1 term (Expire 2026) 1 term (Expire 2029)

TAC- 3 terms (Expire 2027)
Mayor Recommended: (terms to expire on 9/7 of said year)
EDA- 1 term (Expire 2026)
Council President Recommended: (terms expire on 12/31 of said year)
Parking Commission-- 1 term (Expire 2026) 1 term (Expire 2028)
Planning- 2 terms (Expire 2027)

Final Reading- Proposed Ordinance 1562- Revised Fee Schedule

Community Development Director Kramvik stated that no changes have been made since the first reading.

MOVED AND SECONDED BY COUNCIL MEMBERS O'DAY AND TERRY, DULY CARRIED, TO CONDUCT THE FINAL READING OF PROPOSED ORDINANCE 1562 AND DISPENSE WITH THE ACTUAL READING.

MOVED AND SECONDED BY COUNCIL MEMBERS O'DAY AND JOHNSON TO ADOPT ORDINANCE 1562.

ORDINANCE 1562

Upon roll call, Council Members, Stunek, Terry, Stenglein, Johnson, O'Day and Bevans. voted "aye". No member voted "nay". The Chair declared the motion carried.

New Business

Adopt Resolution Calling a Public Hearing On a Property Tax Abatement for Certain Property in the City of Brainerd

Community Development Director gave an overview of the tax abatement for the Country Manor project.

Member Johnson asked if this was a request for further tax abatement or a renewal of the request.

Community Development Director Kramvik stated that it was a renewal of the original. The project was put on hold due to the cost of materials and construction.

MOVED AND SECONDED BY COUNCIL MEMBERS TERRY AND STENGLEIN TO ADOPT RESOLUTION CALLING FOR A PUBLIC HEARING ON A PROPERTY TAX ABATEMENT FOR CERTAIN PROPERTY IN THE CITY OF BRAINERD, MINNESOTA.

RESOLUTION 54:23

Upon roll call, Council Members, Stunek, Terry, Stenglein, Johnson, O'Day and Bevans. voted "aye". No member voted "nay". The Chair declared the motion carried.

Adopt Resolution - Approving Plans and Specifications, Authorizing Advertisement for Bids, and Call for Public Hearing - Improvement 22-08 - South Brainerd Reconstruction Project

Member O'Day stated that residents of S 6th Street have contacted him requesting that their alley be added to the project area. The residents access their homes only from the alley as their properties abut S 6th Street. The addition to the project would include utilities.

Chair Bevans asked whether the project could be approved without the formal addition of the alley to the project and whether it could be added to the project after the fact.

City Engineer/Public Works Director Dehn stated that Staff could provide more information about the project at one of the meetings in January. He recommends moving forward with adopting the plans and specifications for the project as it is currently proposed as the earlier the bid process the better the price for bids.

Member Johnson stated that a change order could be included later on to add this portion of the project to the current specifications.

MOVED AND SECONDED BY COUNCIL MEMBERS TERRY AND STENGLEIN TO ADOPT RESOLUTION APPROVING PLANS AND SPECIFICATIONS, AND ORDERING ADVERTISEMENT FOR BIDS TO BE OPENED ON JANUARY 10, 2024, AT 10:00 A.M., AND SETTING THE PUBLIC HEARING FOR IMPROVEMENT 22-08 ON JANUARY 16TH, 2024 AT 7:30 P.M.

RESOLUTION 55:23

Upon roll call, Council Members, Stunek, Terry, Stenglein, Johnson, and Bevans voted "aye". Member O'Day voted "nay". The Chair declared the motion carried.

First Reading- Proposed Ordinance 1563- Amending Salaries for Elected and Appointed Officials

Interim City Administrator Wussow stated that this ordinance would formally adopt the changes that Council authorized to remain the same at the previous meeting for the elected and appointed officials.

Member Johnson stated that he supports the ordinance. The Council has consistently frozen Council pay for at least nine straight years. It is a good way to save the taxpayers a few bucks.

MOVED AND SECONDED BY COUNCIL MEMBERS JOHNSON AND O'DAY, DULY CARRIED, TO CONDUCT THE FIRST READING OF PROPOSED ORDINANCE 1563 AMENDING SALARIES FOR ELECTED AND APPOINTED OFFICIALS AND DISPENSE WITH THE ACTUAL READING.

Discussion of City Administrator Salary

Interim City Administrator Wussow stated that there was an e-mail included in the packet from the consultant for the City Administrator search. He feels that there are additional applicants that could be reached if the base pay for the position was increased.

Member O'Day asked how the increase would affect the pay equity report.

HR Director Schubert stated that staff has not plugged the numbers in at this point. The current City Administrator is a male. The pay equity report will be reflective of whatever the Council sets the maximum City Administrator salary at by the end of December 2023.

Member O'Day stated that he wants the public to know it will depend on the gender of the City Administrator whether or not the City is compliant with the pay equity policy. This change also affects compliance.

HR Director Schubert stated that gender is a factor, not the only factor.

Member Johnson stated that under no circumstances does the City take gender into account when hiring. The gender of the top positions does affect the pay equity compliance. He asked if the wage for the City Administrator is changed to a higher amount, will a significant number of other positions need to be adjusted as well to stay in compliance.

Interim City Administrator Wussow stated there will need to be other changes, but not a "significant" number. The top few positions will need to be reevaluated.

Member Johnson stated that based on the market comparable cities he feels option 1 is the correct choice, however, this could put the City in the same situation as when the City was externally hiring a Police Chief. Option 2 is a significant change. The City wants to pay its employees at or slightly above the median income.

Chair Bevans asked Interim Administrator Wussow if he believes that the wage is affecting the number of applicants.

Interim City Administrator Wussow stated that yes, he does believe it is a factor.

Member O'Day stated that he would vote no, it is a significant amount. He'd like to think that the City is more responsible in regard to how they spend taxpayer dollars.

Member Johnson stated that there are some applicants with the current pay range.

Member Terry stated that with the number of applicants at the current range, the current job market, and the reputation of the City Council it is going to take more money to get applicants in the door.

Mayor Badeaux stated that he didn't know the Council had a reputation. The amount is an absurd amount of money, it will have an effect on all levels of employment. The City wants to pay its employees fairly. However, applicants have submitted.

MOVED AND SECONDED BY COUNCIL MEMBERS TERRY AND STENGLEIN TO ELECT OPTION 2 FOR THE CITY ADMINISTRATOR OPENING BY INCREASING THE HIRING SALARY RANGE TO $139,963- $155,958.

Upon roll call Members Stunek, Terry, and Stenglein voted "aye". Members Johnson, O'Day, and Bevans voted "nay". The Chair declared a tie. Mayor Badeaux voted "nay". The Chair declared the motion failed.

MOVED AND SECONDED BY COUNCIL MEMBERS JOHNSON AND O'DAY TO ELECT OPTION 1 FOR THE CITY ADMINISTRATOR OPENING BY INCREASING THE HIRING SALARY RANGE TO $130,998-$145,974.

Upon roll call Members Stunek, Stenglein, Johson, O'Day, and Bevans voted "aye". Member Terry voted "nay". The Chair declared the motion carried.

Adopt Resolution Setting the 2024 Levy for the City and Brainerd HRA

Finance Director Hillman gave an overview of the levy certification process. The preliminary levy was set at $7,121,720, a 10.53% increase. She also stated that the City was below the fund balance policy at the end of 2022.

Interim City Administrator Wussow stated that following the budget presentation on December 11th, the Council went into closed session to talk about union negotiation processes. The direction given at the closed session is not included in the current budget. He recommends an 8% increase to the levy.

Member Johnson stated that it absolutely pains him to set the levy at 8%, but it is where the current state of the City is with union negotiations, increase to the City Administrator salary, and with the fund balance policy. The City should not be taking risks hoping that it works out.

Member O'Day stated that he previously said he would not be voting for anything above 6%, he will be sticking to his statement. There are always line items in the budget that are not needed. He thinks the pay study is garbage and meeting pay equity has turned a lot of budgets into garbage and he wonders what the citizens are going to see from an 8% increase.

Mayor Badeaux stated that this is the highest levy increase he recalls in his time on Council. He believes that the Council has worked to keep the levy increases as low as possible. Inflation is out of control. It does pain him to approve an 8% increase. He stated that moving forward he wants to see the Council take a hard stance to maintain the budget.

MOVED AND SECONDED BY COUNCIL MEMBERS JOHNSON AND STENGLEIN TO SET THE 2024 LEVY AT $6,958,980 (8% INCREASE) AND THE HRA LEVY AT $173,960.

RESOLUTION 56:23

Upon roll call, Council Members, Stunek, Terry, Stenglein, Johnson, and Bevans. voted "aye". Council Member O'Day voted "nay". The Chair declared the motion carried.

Adoption of 2024 Budgets

Finance Director Hillman stated that the General fund budget needs to be approved by the end of the year. Due to the levy the budget will need to be amended. The property tax line item will be $4,002,650 rather than the $3,889,462 presented.

MOVED AND SECONDED BY COUNCIL MEMBERS TERRY AND STENGLEIN TO ADOPT 2024 BUDGETS AS AMENDED.

Upon roll call Council Members Stunek, Terry, Stenglein, and Bevans voted "aye". Council Members Johnson and O'Day voted "nay". The Chair declared the motion carried.

Public Forum

The Chair opened the public forum at 8:32 p.m.

No one came forward.

The Chair closed the public forum at 8:33 p.m.

Staff Reports

City Engineer/Public Works Director Dehn stated that the Parks Department is working to try to make ice. With the weather there is a delay.

Community Development Director Kramvik stated that the EDA toured Lexington as a part of their business retention visits. The EDA website will be ready to launch in the new year. The EDA directed staff to work with Kamp Realty to list the industrial lots. The Planning Commission will continue to consider the short-term rental at the next meeting.

Mayor's Report

Mayor Badeaux said Merry Christmas to all. The Holiday Hayrides were held on Saturday, it was a great turn out. He also stated that he tends to crack a lot of jokes, from time-to-time things he says are taken wrongly. He apologizes for anything that was misunderstood. The remarks he made about follow-thru were directed toward the City Council. The Council is here to do the people's work.

Council Member Reports

Member Stenglein stated that she was invited to join the landlord group for their monthly meetings. She thanked HRA Director Charpentier for his presentation to the group.

Member O'Day thanked everyone for coming out on Saturday to the Holiday Hayrides.

Chair Bevans stated that he presented the Tower Award to Elaine Kramer from the Fire Department. He thanked Elaine for her years of service.

Member Johnson stated that Finance Director Hillman did a good job on the budget this year. He was critical, but she did a great job. He's ready to start work on 2025.

Member Terry stated that staff did a great job with the employee Christmas event.

Member Stunek wished everyone a Merry Christmas.

Adjourn

MOVED AND SECONDED BY COUNCIL MEMBERS STUNEK AND JOHNSON, DULY CARRIED, TO ADJOURN THE MEETING.

The Chair adjourned the meeting at 8:50 p.m.

Patrick Wussow
Interim City Administrator