



CITY COUNCIL
REGULAR MEETING MINUTES
JUNE 9, 2025 AT 6:30 PM
FINLAYSON CITY HALL

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1. **CALL TO ORDER:** The meeting was called to order at 6:30 PM by Mayor Auchter, followed by the Pledge of Allegiance.
 2. **ROLL CALL:**
 - a. Council members present: Dave Auchter, Barb Morgan, Kim Schaefer, Jeff Flaws, Rhonda Kriesel
 - b. Council members absent: None
 - c. Others present: Wyatt Lucht, Joe Luedtke, John Mikrot, Randy Millner, Liz Bernhardt, Marge Haefner
 3. **APPROVAL OF MINUTES:** *A motion was made by Flaws to approve the May 12, 2025 Regular Meeting minutes, with the addition of a personal statement from Council Member Morgan, to be attached as an addendum. All in favor. Motion carried.*

The personal response will be filed as an attachment to the May 2025 minutes but will not alter the original meeting record.
 4. **PUBLIC FORUM:**
 - a. N/A
 5. **APPROVAL OF AGENDA:** *A motion was made by Morgan to approve the agenda. All in favor. Motion carried.*
 6. **CONSENT AGENDA:** *A motion was made by Schaefer to approve the consent agenda. All in favor. Motion carried.*
 7. **STAFF REPORTS:**
 - a. **Water & Sewer Contractor (John Mikrot):** Flushed hydrants in May. Repairing hydrants this summer. Had to replace an outside water meter register at residence on Broadway; sun is making the digital meter unreadable. They are too expensive to replace this frequently, looking at alternative methods (covers, etc.). Mikrot met with Nathan Feist from Bollig Engineering and introduced/shared concerns. Schaefer inquired about a blue cord hanging from her residence; Mikrot will look into. Mikrot followed up on the well-cover that is in the parking lot between Petry's & Town & Country Insurance. It is not MN Dept of Health's, it is not the City's, it is not the MN DNR's. If anything seeps into the well, it could contaminate the water; Millner put a cone over it but it was removed. Randy will work to get it covered. Deputy Clerk will continue to identify who's access it is. Morgan questioned a bill payment to Pace Analytical. Clerk confirmed Pace had been sending invoices to the previous (inactive) city email. Morgan requested Mikrot take a look at the invoices and confirm; Mikrot will do so.
 - b. **Zoning Administrator (Ed Melzark):** Working on two minor subdivisions. Requested more information from one and received it. Will keep Council posted on progress.
 - c. **City Maintenance (Randy Millner):** Acknowledged Luedtke has saved the City a large amount of money in purchasing used bar coolers from an auction site. Millner, Luedtke and two volunteers (Al Thiboldeaux and Ron Redding) drove to Lake City to pick up the coolers. Council directed Luedtke to submit for mileage reimbursement and thanked the volunteers for their time and assistance. Millner inquired about the equipment budget and requested a backpack leaf blower with more substantial power to use for leaf blowing and snow blowing. Millner uses a number of personal items for City use, being cost-conscious to not spend city funds unless necessary.
Motion by Morgan for Millner to purchase a leaf blower, up to \$1,000. All in favor. Motion carried.

- d. **Bar Manager (Joe Luedtke):** As Millner stated, purchased roll-top coolers for \$2400 total at auction. Old (still working) cooler is in storage until city sale of assets occurs. Reported LS profited \$23k for May; gearing up for summer with beer and bloody mary mix stocked. Asked council to volunteer shifts to card/ID patrons at the entrance to the Muni on 4th of July; council can email Clerk or Luedtke to sign up. Schaefer inquired about Toast (POS system) and Luedtke confirmed he is 95% there but does not want to make the switch until after the 4th of July. Staff and sales are going good; looking for additional PT cook and hired a new cleaner, Tracy Ludwig.
- e. **Fire Chief (Wyatt Lucht):** Report submitted: 6 fire calls, 8 Rescue/EMS assists, 1 Motor vehicle accident, 2 false alarms. 17 Calls this month & 64 this year; last year we were at 49. Recertified all EMR members in CPR & AED and had a Car Fire Training for all fire members. Ordered PPE last week to replace outdated PPE. Also repaired bathroom door edge & installed threshold in the shower at the Fire hall. Lucht inquired about striping out front of Fire Hall. Clerk confirmed striping had date set for 6/13.
- f. **City Clerk (Liz Bernhardt):** Report submitted: Worked with Finlayson-Giese Lions to determine the City holds insurance policy for building, Lions hold policy for contents. Clerk is beginning budgeting process and the first meeting is set for late June. Ordered street signs for missing address on Hwy 18 and new address on Macarthur. Coordinated insurance with Town & Country Insurance for fireworks. Ordered dumpster & portable toilets as directed by Council at May meeting. Clerk inquired and did "same as last year": 10 yd dumpster from Ron's Rolloffs (\$400) and 4 satellites + 2 washing stations from Paul's Portables (\$1060). Schaefer inquired about whether handwashing stations were necessary and will follow up with Clerk if a change needs to be made. Migrated to QuickBooks Online from Desktop in a 90-day trial. Clerk reported it is going well, Deputy Clerk has uninterrupted access, bank feeds into QBO and makes bank reconciliations more efficient, and Federal 941s and W2s/1099s can be e-filed directly from QBO rather than using the 3rd party to do so (the City is required to e-file and gets fined if they paper file.) Schaefer expressed concern for QBO sharing personal experience at her business. Clerk will continue to monitor for ease of use, access and efficiency. No action taken. Clerk shared that Auditor will present findings at July council meeting and Engineer will present PER at a Special Meeting in August.
- g. **City Financials:** Provided May and YTD Profit/Loss by Fund. City saw a profit of \$34,863 for May, most of which is both Fire and Liquor. Year-to-date, City is at a \$7000 profit, which is again Fire and Liquor. General Fund is down, but the \$55k transfer from the Liquor fund has not occurred (intentionally waiting for Audited Financials) and tax revenue will hit July (and Dec.) Water fund is down over \$13k and Sewer is down over \$4k; noted that budgeted rate increases for both have not occurred (see New Business 8K.) Clerk confirmed detailed Profit & Loss reports have been provided to both Luedtke and Lucht for their respective Funds.

8. NEW BUSINESS

- a. **Valve Replacements:** The butterfly valves at the water treatment plant are reaching the end of their service life and have begun to fail. Mikrot obtained a quote from Kurita (originally dated February 2025) for a total of \$3,085, covering one valve of each size currently in use: 6", 4", and 3". Morgan inquired about a (general equipment replacement) schedule, which is being reviewed by the Engineer and included in the PER. *Motion by Morgan to approve the valve purchase for \$3085. All in favor. Motion carried.*
- b. **Water Fund Rate Increase:** The City's water fund has been significantly underfunded for many years. The water tower and treatment system were originally developed with the expectation that neighboring communities would also utilize the infrastructure. However, that expansion has not materialized, resulting in the system's costs being borne solely by a smaller user base. In an effort to ease the financial burden on residents, the City has kept water rates relatively low over time. Unfortunately, this approach (combined with rising operational costs) has led to the water fund operating at a consistent deficit. To begin addressing this structural imbalance and to better align rates with inflation, a modest rate increase is being proposed for 2025. A more comprehensive rate analysis will be conducted following completion of the Preliminary Engineering Report (PER) from the City Engineer, expected in August 2025. At that time, the City may consider further rate adjustments based on the engineer's findings and

long-term infrastructure needs. Kriesel inquired as to why increase for 2025 has not been done. Mayor Auchter clarified that the rate increase has been pushed out as long as possible.

Motion by Kriesel to approve the proposed rate increase of \$5/month to the base rate for residential and commercial, and an increase to \$.0063/gal for residential and \$.0069/gal for commercial, effective July 1 (for the Water rates only.) Council discussed whether that is sufficient notice and clarified that the rate change will go into effect 7/1, with it being realized on the August 1 utility bills. *All in favor. Motion carried.* Clerk has letter drafted to Utility customers which will be sent with July 1 utility bills, providing notice in front of their August bills.

- c. **Fireworks Insurance:** Previously, the council approved the dumpsters & satellites for the Finlayson 4th of July celebration. Historically, the city has paid for the fireworks insurance coverage for as long as Jerry Pizella has done them. Last year, fireworks were purchased but not used, and the insurance was paid (roughly \$645) but refunded. Schaefer noted this may be the last year for fireworks and that the Community Club is considering drone/light shows for future years. *Motion by Morgan to approve the purchase of the fireworks insurance through Town & Country Insurance for 2025. All in favor. Motion carried.*
- d. **Finlayson-Giese Lions Club Gambling Lease:** The Finlayson-Giese Lion's Club needs to renew their annual lease beginning 4/14/25, for Pull Tabs, Bingo, Paddlewheel (meat raffle), E-tabs, and E-Bingo. They are proposing 6% for all pull tab & paddlewheel, plus 15% for e-tabs. There is 0% paid for Bingo. Morgan inquired if there was a change in previous contracted percentages; Clerk confirmed there was no change. *Motion by Morgan to approve the lease. All in favor. Motion carried.*
- e. **Debit Card Authorization:** The council motioned to obtain Business Debit cards through Northview Bank some time ago. To complete this process, NVB needs to have specific verbiage authorizing Joe Luedtke (Bar Manager), Randal Millner (Maintenance Worker) & Wyatt Lucht (Fire Chief). *Motion by Flaws to authorize the issuance of business debit cards to Joseph Luedtke, Randal Millner, and Wyatt Lucht, linked to the city's checking account ending in 0385, for the sole purpose of making purchases via debit card. This authorization does not permit check writing or any other account access, and only one cardholder signature is required for debit card transactions. All in favor. Motion carried.*
- f. **Bank Signatory:** The council motioned to add council member Kim Schaefer to the bank accounts. To complete this process, NVB needs to have specific verbiage authorizing Kim. *Motion by Morgan to authorize Kimberly Schaefer to be added to the city's checking account ending in 0385 as an authorized signer. All in favor. Motion carried.*
- g. **Blight Officer Appointment & Addendum to Contract:** As discussed (and tabled) last month, the City has received a few concerns from residents related to blight. The City's Blight Ordinance includes provisions for enforcement through a designated and appointed Blight Officer. In past years, this role was fulfilled by the City's Zoning Administrator, as blight and zoning issues often overlap and share enforcement pathways. Currently, Ed Melzark serves as the City's Zoning Administrator and has indicated his willingness to also serve as the Blight Officer; the Planning & Zoning Commission made the formal recommendation to do so. Schaefer questioned the process and Melzark explained that he will respond to blight concerns that are submitted through the City's Resident Concern form, providing research and initial blight correction requests. *Motion by Flaws to appoint Ed Melzark as the City Blight Officer, subject to Council's ongoing direction for further action on blight issues beyond initial research and requests. Voted in favor: Auchter, Morgan, Flaws, Kriesel. Voted against: Schaefer. Motion carried 4:1.*
- h. **Council Appointments:** Morgan previously submitted verbal resignation from the Budget & Finance Committee. The Committee needs to begin the process of budgeting for FY26. Resolution 2024-03 states that "each committee will consist of a maximum of two City Council members appointed by the City Council for the remainder of their respective terms." Flaws volunteered for the Committee. Motion by Auchter to accept Morgan's resignation from the Budget & Finance Committee and replace with Flaws. Auchter, Morgan, Flaws, Kriesel voted in favor. Schaefer voted against. Motion carried 4:1. Additionally, Bruce Pogatchnik has been appointed as a voting member of the Planning & Zoning Commission, leaving his former position of an "alternate member" open. Roland Henkel and Eric Kaster have both expressed interest in this position. Roland has attended Commission meeting recently.

Motion by Auchter appoint Roland Henkel to the Planning & Zoning Commission, as an alternate (non-voting) member. All in favor. Motion carried.

- i. **Building & Zoning Fee Schedule:** The City's current fee schedule is outlined in Ordinance #155, which was last updated in January 2024 and is now due for review. This ordinance includes both Zoning and Building fees. Building permit fees are regulated under the Minnesota State Building Code and any changes require a public hearing and proper ordinance adoption procedures. To bring the City's process into full compliance and better reflect departmental responsibilities, staff recommends the City separate building permit fees from Ordinance #155 and establish them in a standalone Building Fee Ordinance. This will require a more in-depth process than simply updating fee figures, including legal review and clear delineation of building-related costs and services. The Planning & Zoning Commission formally recommends that the Council direct them to begin the process to review (zoning-related) fees. It is noted that certain fees, including Land Use, Zoning and Subdivision are governed by MN Statute 462.353. *Motion by Auchter to request the Planning & Zoning Commission to review and make recommendations to the Council regarding updates to the zoning & building fee schedule, and to initiate the process of separating building fees into its "own" ordinance. All in favor. Motion carried.*
- j. **Tree Removal at Depot:** Friends of Historic Finlayson (FOHF) is in the process of restoring Finlayson's Northern Pacific Combination Depot. A Chinese Elm tree, located on the north-end of the depot, is dying. FOHF is seeking council approval to remove this tree at no cost to the city. All tree debris will be removed from the property with stump removal. Black dirt will be backfilled with grass seed spread out. *Motion by Morgan to approve the request from FOHF to remove the dying Chinese Elm Tree at no cost to the city. All in favor. Motion carried.*
- k. **WAC & SAC Tracking:** The Planning & Zoning Commission recommends that the City Council direct staff to review and document all existing water and sewer access connections within City limits. While the City has historically tracked these connections in various formats, a comprehensive analysis of current addresses and confirmed utility access points has not been completed in recent years. Tracking will help ensure accurate records of utility service connections, confirm connected properties are being correctly billed for services, identify undeveloped parcels with paid or potential access to services (important for planning), assess Water Access Connections (WAC) and Sewer Access Connections (SAC) where applicable, and align zoning, utility and public works records. *Motion by Flaws to direct city staff to conduct a review and inventory of all WAC & SACs within city limits, and to coordinate with the Planning & Zoning Commission to ensure zoning & infrastructure records align with utility service data. All in favor. Motion carried.*
- l. **Facility Access / Key Control Policy:** The City currently does not have a formal policy governing access to City-owned facilities, including City Hall & meeting rooms, Fire Hall, City Garage, Liquor Store/Bar, Water & Sewer facilities, etc. Without a policy in place, there is no clear or consistent process for determining who can access the facilities, when & how meeting rooms are to be unlocked/prepared, what responsibilities apply for after-hours access or emergency situations. *Motion by Flaws to direct city staff to draft a Facility Access & Key Control Policy that outlines authorized access to city-owned buildings & spaces, for review and approval by the City Council. All in favor. Motion carried.*
- m. **Zoning Administrator/Blight Officer Meeting Attendance:** The Zoning Ordinance (which is also mirrored by the Zoning Administrator Contract) states that the ZA shall "attend all meetings of the City Planning Commission, Board of Appeals and City Council, when requested." The Planning & Zoning Commission recommends that all PZC meetings are attended by the Zoning Administrator. *Motion by Flaws to approve the addendum to the Zoning Administrator contract, allowing for regular attendance of the Planning & Zoning Commission meetings. All in favor. Motion carried.*
- n. **Land Use Permit Application:** The Land Use Application form needs to be created/updated. Currently the City is using a version modified in January 2025, which was updated to include information required by the Zoning Administrator prior to approving applications. The Planning & Zoning Commission would like to further modify and / or recreate the application entirely; Nancy Liebelt from the PZC willing to work with the Clerk to complete the modification requests. The PZC requests the Clerk's assistance to create a permit application process form, which will be drafted by Nancy Liebelt and submitted to the Clerk for further edits. No formal action taken.

- o. **Maguire Water Tower Cleanout & Inspection Contract:** The Clerk recommends that the council not approve the new contract proposed by Maguire Iron last month, since Maguire confirmed that the previous contract is still in place, and will be reaching out to John to schedule the 2024 inspection/clean out sometime during the remainder of 2025, and will continue to honor that contract through 2029. No action taken.
- a. **City Wide Garage Sales:** The City has traditionally maintained a list of participants for an informal city-wide garage sale, with the list compiled by the Clerk and made available only at City Hall. While the garage sale is not a City-sponsored event, residents frequently inquire about its timing and participation. In 2025, only three households signed up, despite several inquiries throughout the summer. The low participation, lack of formal organization, and absence of a clear benefit to the City suggest that ongoing staff involvement in maintaining sign-up lists or coordinating communication is unnecessary. The Clerk recommends that the City formally designate the first weekend of June each year as “Finlayson City-Wide Garage Sales” to provide clarity for residents and reduce annual inquiries. It is further recommended that the City have no formal role or responsibilities beyond this designation, as there is no direct benefit to the City in managing or coordinating this event. Residents may independently promote or organize sales as they choose. *Motion by Auchter to postpone this discussion to a future agenda. All in favored. Motion carried.*
- b. **Commercial Vehicle Parking:** At the most recent Planning & Zoning Commission (PZC) meeting, a motion was made to request clarification from the City Council regarding any prior decisions or agreements related to the parking of commercial vehicles in residential areas. Council members expressed several concerns, including how to reasonably enforce regulations on company vehicles driven by homeowners and where to draw the line in enforcement. Flaws clarified that the PZC’s inquiry is limited to “commercial vehicles” as defined in the City’s Zoning Ordinance, and noted that recent complaints involved semi-trailers parked in residential zones. Council members further expressed that their primary concern lies with enforcing the more significant elements of the Zoning Ordinance, rather than focusing on minor infractions. They encouraged the PZC to prioritize broader, more impactful zoning issues and to consider revising the ordinance language where appropriate, particularly since portions of the ordinance were originally based on templates intended for larger cities. The Council emphasized the importance of aligning zoning enforcement with the community's specific needs and scale. No action was taken at this time.
- c. **Ordinances & Resolutions:** *Motion by Auchter to pass Resolution #2025-10, updating the Council appointments as discussed. All in favor. Motion carried.*

9. UNFINISHED BUSINESS

- a. **Broadway Development:** The City Attorney (Kevin Hofstad) cost has been billed to Cabak Law, legal representation for the Developer, in the amount of \$902.50, after discussion between the City Attorney and Cabak Law. Hofstad met with Cabak and updated on the status, and received permission from the Clerk to share the findings, survey and title documents. Cabak has been unable to follow up with Hofstad’s request to review the shared documents and communicate with the Developer about the next steps. Cabak is aware of the Council’s intent to host a public information meeting in the near future and inform the property owners of the situation, with the intent to get them on board for the road dedication. The notice to both the property owners and the developer has not been sent, pending response from Cabak. *Motion by Flaws directing the Clerk to send the informational letter to affected property owners. In favor: Auchter, Morgan, Flaws. Abstained: Schaefer, Kriesel. Motion carried.* The Council feels it is important to keep the Developer informed, even though his legal council has not made forward progress. *Motion by Morgan to request the City Attorney draft and send a letter to the Developer to update him on the status. In favor: Auchter, Morgan, Flaws. Abstained: Schaefer, Kriesel. Motion carried.* Clerk will coordinate with City Attorney and will schedule an informational meeting (Special Meeting).
- b. **Legalities of City Fundraising & Expenditures:** This item was on the agenda but was not discussed due to time constraints. No action was taken.
- c. **Employee Supervision & Reporting Structure Policy:** This item was on the agenda but was not discussed due to time constraints. No action was taken.

d. **Sedillo Property Hwy 18:** This item was on the agenda but was not discussed due to time constraints.

No action was taken.

10. **CONSIDERATION OF BILLS:** Ordinances/Legislation (none)

11. **ADJOURNMENT.** *Motion by Auchter to adjourn the regular council meeting at 9:04PM. In favor: Auchter, Flaws, Kriesel & Schaefer. Against: Morgan. Motion carried 4-1.*

Submitted by Liz Bernhardt, City Clerk, June 10, 2025

UNAPPROVED