

City of Vernon Center
12/13/2023
Special Council Meeting

Council Present: Mayor Dana Ziegler, Wendy Bennett, Emily Edwards, Adam Finney.

Staff Present: Clerk Kara Hansen.

Others Present: Shannon Sweeney of David Drown Associates.

Mayor Ziegler opened the special council meeting at 6:00 PM.

Approve Agenda

Councilor Finney made a motion to approve the agenda. 2nd by Councilor Edwards. All approved. Motion carried.

Infrastructure Interim Loan

Shannon Sweeney of David Drown Associates sent information ahead of the meeting about the city borrowing 2.2 million dollars for temporary financing to make payments to Holtmeier Construction. Community Bank of Mankato has agreed to provide temporary financing for the City of Vernon Center. The interest rate on the temporary financing loan is 5.3%. The returns are normally three years and this loan is just short of that. It can be repaid early without penalty at any time. Mr. Sweeney encouraged the city to do this as soon as funds are available. The goal is to get in a steady draw system and understand their turn around time so the city can make timely payments to the contractor. Right now, the city will be able to reinvest the proceeds close to what the city is paying interest on. The reinvestment may not come to fruition if the city spends all the loan to the contractor right away. If the city gets reimbursements for draw requests that are successfully processed by the state, the city will pay it down significantly. USDA has indicated that 75% of the interest expense and issuance costs are eligible for their program. 25% would be the responsibility of the city. Mr. Sweeney encouraged the city to minimize the interest expense by reinvesting. A resolution to receive the loan was drafted by the bond attorney on the city's behalf. It lays out the terms and conditions and the interest rate and the duration and pledge of utility revenue and pledge of tax levy for repay. If the city chooses to proceed, the loan would close on December 27th. For that, the city should sign the packet of signature pages and return them to Taft as soon as possible. The closing verifies the funds are in the account. The schedule for the interest draw is \$117,700.00 a year and 75% of that is USDA eligible. Mayor Ziegler reminded the council that this is what they spoke about at the last council meeting and this is the path forward to paying the contractor. Mayor Ziegler asked what the resolution number for the loan was. Clerk Hansen said it is 2023-26. Councilor Finney made a motion to approve resolution 2023-26 a resolution providing the issuance and sale of a 2.2-million-dollar temporary general obligation utility revenue note series 2023B and pledging net revenues for the security thereof. 2nd by Councilor Edwards. All approved. Motion Carried.

ESST

Councilor Edwards cleaned up an amendment to the personnel policy except for the hours that need to be shown on each employee paycheck. She stated she will attend a Teams meeting with members of the League of Minnesota Cities to clarify a few things with payroll on Friday, December 15th, 2023. Right now, the current policy states that each employee earns 8 hours of PTO every month, and with the new state requirements each employee needs to see what they have accrued on each pay period. Councilor Edwards broke the personnel policy down so that every employee that works 20 hours gets at least 1 hour of earned sick and safe time. She asked Clerk Hansen if she and Clerk Roelofs had a chance to look at Banyon and see how they could put it in. Clerk Hansen said they looked at Banyon and they thought it

was possible to input whatever the council needed them to, but they need to know what they are inputting and how the city is going to amend it before they could make the changes. Councilor Edwards said we don't have to change the title of our sick leave, but we need to be able to put in the small increments of accrual. Mayor Ziegler asked if the amount of ESST or PTO was currently what the city was offering their employees. Councilor Edwards said it was, and the payroll portion is the most important part of it because the state is adamant that employees see what ESST time they have accrued on their pay stub. Mayor Ziegler said this has to be in place by January 1, 2024. Councilor Edwards said the state also wants the name of a person that an employee has to report to when they would like to use their ESST time. Mayor Ziegler said to put in the policy that the employees need to inform the mayor, and inform them by email, phone, or any means, and to inform them as far in advance as possible or 1-7 days in advance. He also said the city could choose to put "a member of the personnel committee" in the verbiage. Councilor Edwards asked for clarifications about the time that PTO is carried over. Mayor Ziegler said it was the end of the year, and to follow carry over protocols the city uses for vacation. Councilor Edwards said the amendment also lists everything that the Minnesota law states an employee can use for ESST time. She also said that the state requires to list the amount each employee can take down to the smallest increment their employers allow. Councilor Bennett made a motion to approve the ESST program to our personnel policy. 2nd by Councilor Finney. All approved. Motion Carried.

Next Meeting scheduled for January 8th, 2023

Motion to Adjourn

Councilor Bennet made a motion to adjourn. 2nd by Councilor Edwards. All approved. Motion carried.

Adjourned at 6:28 PM.

Kara Hanen, Clerk-Treasurer

Dana Ziegler, Mayor

Date approved