

**Administrator's Report
Braham City Council Meeting
July 7, 2021 – 6 pm**

Consent Agenda

The consent agenda contains approval of minutes from 6/1/21 and the payment of bills and payroll. Additional items are as follows:

- Approving the Memorandum of Understanding (MOU) with Isanti County
- Resolution 21-21 Authorizing Braham to participate in MN Green Steps Cities Program. I recommend passing the resolution because we do the steps at our own pace, we, establish how we want to approach it, it provides recognition to the City, and it opens us up to other resources and funding opportunities with the state.
- Resolution 21-24 Grandy Lions is donating \$5000 to the City to put a shelter in the park next to the post office with the stipulation we name the park "Lion's Park". I recommend accepting the donation and renaming the park.
- Resolution 21-25 Accepting Donations for Fireworks: The list of donors will be finalized for the council meeting and attached to the resolution.
- Resolution 21-26 Mutual Aid Agreement with City of Isanti
- St. Peter and Paul Catholic Church Event Permit and Temporary Liquor 9/18/21: This is their annual fall event.
- Gambling Permits: Both the Ruffed Grouse Society (7-23) and Pheasants Forever (9-11) need gambling permits approved for upcoming events.
- Pizza Pub Conditional Use Permit 8/14/21: Marshall has reviewed, and we are recommending council approve.

Total consent agenda includes 12 items for approval.

Engineering

Jon Pauna will be present to give a report.

Also, I am expecting an estimate from Moore on updating the City's Comprehensive Plan. The City's plan was last done in 1997. State Statute 473.864 PLANS; ADOPTION; AMENDMENT. Subdivision 2 Decennial review. Requires City's to review and amend, if necessary, the plan every 10 years. There is no notations on the plan, or recollection by any staff, that our plan has been reviewed in 23 years. Many of the points are things we are working on, but it should be updated to carry us into the next 20 years and incorporate things like our new Park and Trail Plan. I have included the state statute n your packet and the cost estimate to update the plan. At the time of this report, I did not have the estimate, but hopefully I have it in your packet.

Lobbyist

James Robins will be present to give a report. Additionally, council should approve Resolution 21-23 Support of Legislative Bonding Tour Visits to the City of Braham and Subsequent Funding Authorization. Once this is approved it will

be sent out to the legislators, and the state for addition to our request for bonding, along with a letter from Mayor Carlson.

Police Report

Chief Baumgart's report is in your packet.

Utility Reports

Both Eklund and Fanth have reports in the packets. Additionally there are 4 other Water and Wastewater items to consider:

- Visu-Sewer Test and Seal Joint Grouting: Elmhurst has major leaks at the joints. We need to seal these up before we can consider lining. Fanth and I recommend you approve this bid. We can apply part of the ARPA funds towards this.
- Approve the purchase of the water tower mixer. Our tower was originally designed to have a mixer. A mixer will keep our chemicals from striating in temperature changes and our tower from freezing up in the winter. When the tower freezes, then thaws, it will often pull rust, etc. from the sides of the tank into our water supply. The cost to purchase and install is \$15,626.00. They offered to let us pay that in 2 payments, but as I have also applied for a grant, which will be the next item for approval, to meet the terms of the grant we should just pay the whole thing upon completion.
- Resolution 21-22 Centerpoint Energy Grant for tower mixer. We need approval to accept the check (which we have already received) for \$2500 towards the purchase and installation of a tower mixer.
- Gary Giltner is planning to retire from PSI in about March of 2022. The City needs to be prepared with the manpower we will be losing and for the end of our contract with PSI. We need to have our own person in place before they are gone completely. Victor will address ending their contract as he believes when Gary leaves, with the documentation he has, we will be able to terminate the contract. Regardless, we need to start the hiring process as this is a specialized field with limited operators available. Both Fanth and I have been tracking this process with other cities and talking to them about their time frames. We would like council to approve starting the hiring process. We will advertise and keep the job open for 1 to 2 months, then we need to review candidates, interview, give the candidate time to relocate. Other cities have had to reopen the process before they are able to find an operator. This process make take us a minimum of 6 months and up to 1 year, so we would like to begin in August of 2021 to advertise and start the looking for a water/wastewater specialist. With such a highly specialized requirement we need to plan it could take over a year to get someone. If we are lucky it will not take that long, but I don't

want to risk of our contract with PSI running out BEFORE we are able to get a second operator.

Fire Dept

Chief Jones put a report in the packet.

Liquor Store

Written report in the packet. We are still struggling to get people on board after they accept the job, so we are continuing to advertise for help. We do not feel we should raise salaries as it throws the entire pay scale out of whack. Compared to other municipals hiring right now, our wages for a liquor store clerk on par at \$12.12/hour: Anoka pays \$12.02, and Monticello is at \$12.42. We are slightly higher than what other Braham retail businesses are paying for wages right now.

Old Business:

- Some council members have asked about overtime again. I will have an updated OT report at the meeting. Let me know if you want any action on this item.
- Some councilors and citizens have seen city vehicles outside city limits during working hours, so it was requested I put this on the agenda. I have spoken with PD about not driving out of Braham for lunch and not going farther than Cambridge or Isanti for the occasional car wash. People may have noticed if our streets department is out of town because we now have the City's logo on the sides of their vehicles. Let me know if you want any action on this item.
- Update on Hazard House at 310 West Central Drive: I have included the update from Lind in your packets. If we get the order before council I will be asking for a motion to proceed with the tear down.

New Business

Ordinance 154.280 Accessory Buildings:

Jeremy Iverson would like the council to reconsider allowing tarp structures. The original ordinance is 154.280 Accessory Buildings F (4) No Tarp Like Structures. The recommendation of Building Official Lind, and myself, is to not allow them. They are not load bearing and they decrease property values. I have included a copy of the ordinance in your packets.

Update on Ransomware Attack:

The City was compromised on June 8 at 3:42 am via our domain administrator's account affecting 8 computers in the City. As a result, all our data was removed from 3 computers including the server and held for ransom. When we came into the office at 8 am, if you attempted to open any document on the 3 computers, all you got was the

ransom note. Grafstrom contacted our internet provider/tech support and called LMCIT and found out the League insures us for up to \$250k including the payment of the ransom and we will only be responsible for our \$1000 deductible.

The League assigned us a legal team (McDonald Hopkins) and tech/negotiator team (Arete). They went to work immediately, negotiated with the Threat Actors and were able to get us the 3 decryption keys for our systems. Just like any ransom attack, we needed them to verify proof of life (of our system) before we paid, then proof of decryption.

But just so you know how serious this is: The ransom was negotiated down to \$17,742 in crypto currency. We paid the ransom, and we will pay the fees for the team that helped us, then get reimbursement from insurance. The ransom negotiation, response, forensic analysis, report of findings, etc. is \$46,973.00 with an additional cost of bit coin purchase and a 2% transaction fee. To protect us during their investigation, they installed Sentinel 1 on our computers. The legal team's fees are \$565.00/hr for the lead attorney and \$360.00/hr for the other attorney but will be reduced to the League's rate (10% off). This is considered a terrorist attack by the US Government, and we had to report it to the FBI. As we paid the ransom, the legal team assigned by the League had to file a report on this with the FBI as well.

Since this came through our domain administrator I did ask if they felt we should change our current internet carrier/tech provider. They told me this kind of a threat is beyond what our tech support/internet provider could ever do for us. As a result, we have decided to contract with Arete to provide Managed Security Services for City Hall at a cost of \$1344/year (\$14.00 per computer, per month). Additionally, we have decided to also add this protection at the liquor store. The police and Water/Wastewater already have their own added protection through VPN and SCADA.

On Friday, June 18 we got our data back, but some of our operating systems and background functions had been damaged (windows 365, etc.) and our 3 computers have to be rebuilt to restore that data.

Just a little more information on Ransomware we have learned from this attack:

There are 3 things that would make it impossible to pay the ransom:

1. Certain Bitcoin wallets,
2. Certain Enemies of the State (North Korea, Iran) Our attack was from Russia,
3. Certain EDRs. There are good EDRS and bad EDRS, this attack only used the good kind.

This is a \$9 Trillion industry. If they were a country, they would have the world's 3rd largest GNP.

80% of businesses hit by ransomware are hit again (This is why we need to keep the security protection).

These attackers have been able to get into systems through Alexa, thermostats and Roombas which also use internet.

A final FYI: Marshall Lind has given his notice as the City's building official. The joint powers will be meeting to discuss and explore options. We have already been in touch with a few people.

Respectfully Submitted,

Angela M. Grafstrom