

## **Fertile City Council Minutes May 13, 2013**

The Fertile City Council held its regular meeting on Monday, May 13, 2013 at 6:30 p.m. at the Community Center. Present were: Council members Dennis Hasler, Tanner Lehmann, Linda Widrig and Todd Wise. Mayor Brian Nephew arrived after the start of the meeting.

The meeting was called to order by Acting Mayor Hasler at 6:35 p.m. and special guests Todd Hagen and Rich Sanders were recognized. Permits for St. Joseph's special events and a nuisance property were added to the agenda under new business.

Todd Hagen from Ehlers was introduced to go over the sale of the Tax Increment Bonds. Hagen explained that the bonds had been competitively bid through 11 a.m. that day and three bids had been received. The bonds had been promoted through the usual national and regional markets and had an AA+ rating through the Credit Enhancement Program. Hagen stated that being able to basically "borrow" the States AA+ rating through that program had saved the City \$4,800 in that the City didn't have to go through the whole rating process again.

Of the three bids that had been received on the bonds, Northland Securities had the lowest bid at 2.68% interest which translates into a 2.54% rate. Hagen also informed the Council that the amount of the bonds had increased \$10,000 to \$700,000 based on more firm figures on the project costs. Hagen then reviewed the bid tabulations for the Council and explained that the bonds are callable in 2021 and can be refinanced at that time. Hagen then stated that the action the Council needed to take at the meeting was to pass the bond resolution in the packets, accept the proposal by Northern Securities and agree to the increase in the bonds to \$700,000.

Council member Wise then made the motion to accept Resolution #5-1-13 Accepting the Proposal on the Sale of \$700,000 General Obligation Tax Increment Bonds, Series 2013A, Providing for their Issuance, Pledging Tax Increments for the Security and Levying a Tax for the Payment Thereof. The motion was seconded by Council member Hasler and was carried.

Kevin Nephew, Public Works Director, then gave his report to the Council. He began by informing the Council that a building permit for Marlyn Sandness had been approved. The permit was for a yard shed and there were no set back variances required.

Nephew then went on to review the paving bids that had been received. He began by stating that the bids were rather confusing since there were discounts offered on some of them when more than one project would be worked on. Nephew explained that over the next few years the City should look at getting work done on several streets one block off of Highway 32. This was followed by a discussion on how much was budgeted for streets this year. Deputy Administrator Liden explained that there was \$30,000 budgeted under street repair but that there were additional funds available in the Capital Improvements area of the budget. This was followed by further discussion on how much the Summit Avenue road and bridge projects would cost the City this year out of the budgeted amounts for street work.

Nephew then explained the projects that had been bid on and suggested doing the Main Street overlay, patching of some holes where sewer or water work had been done, as well as cross crack filling on Stephen Drive. The City could save \$5,000 on the bid from MinnDak Asphalt if they also did the overlay project.

Rich Sanders from the Polk County Highway Department then asked to address the Council. He stated that the Summit Avenue project would not be billed to the City until 2014. He also suggested that the City could tie our cross crack and milling projects with County projects in order to get a lower bid.

Nephew stated that the Stephen Drive cross crack repair was a priority and recommended doing the Main Street overlay. He said the milling projects could wait until next year when they could be tied in with a County milling project.

After further discussion, Council member Hasler moved to approve the bid from Knife River on the Main Street overlay project and for Kevin Nephew to further investigate working with Polk County on the cross crack repair. The motion was seconded by Council member Lehmann and was carried.

The next item on the agenda was the review of the bids for the repair on the shop roof. Kevin Nephew stated that the materials would be purchased from the Fertile Building Center and that the bids were on the labor component. He said that all three who had submitted bids would do good work and recommended going with the low bid. Council member Wise made the motion to accept Craig Gorder's bid for \$3,400 to replace the shop roof with steel. Council member Hasler seconded the motion and it was carried.

Kevin Nephew then went on to discuss the quotes that had been submitted by Sellin Brothers on two other water and sewer projects. The first quote was for \$21,280 to finish installing the water lines in the Peterson Subdivision. Nephew explained that the materials are already purchased and that the Sellin quote was for labor. The water lines could be installed in the same trench as the sewer lines when those were being installed. The second quote was for \$16,780 for a sewer line extension on Albert Ave. NE, with \$3,360 of the quote being for patching the street when the work was completed.

Council member Hasler then questioned whether the two projects were included in the TIF amounts that would be paid out of the bond proceeds. Deputy Administrator Liden stated that the \$21,280 for the Peterson water lines was included in the TIF amount but that the Albert Ave. sewer project was not.

Kevin Nephew then went on to explain that for the Albert Ave. sewer extension the property owners could be billed for a portion of the installation costs. Liden then reported that for the most recent sewer project which was done in the Olmscheid's addition that the property owners were currently being billed \$33.33 per month to cover the owners' share of that project.

After further discussion, Council member Hasler made the motion to approve the \$21,280 quote from Sellin Brothers on the Peterson water project and the \$16,780 quote from Sellin on the Albert Ave. sewer extension. The motion was seconded by Council member Wise and was carried.

The next agenda item up for discussion was the bids that Kevin Nephew had received for the replacement of the roof on the well house shed. Nephew explained that the roof would have to be taken off to take care of the proper sealing of an old municipal well. The well sealing and the roof replacement were all covered by grant funding through the Department of Health. Two bids had been received, one from Craig Gorder and another from Tom Oftedahl. Since the two were within a few dollars of each other Nephew recommended that the bid be awarded to Oftedahl since Gorder had been given the shop roof job.

Council member Hasler made a motion to accept the \$768 bid from Tom Oftedahl and was seconded by Council member Lehmann. The motion was carried.

The final Public Works item addressed was in regard to the Wellhead Protection Plan. Nephew explained that it was time to renew the plan and that the State would be working on Phase One over the next year at no cost to the City. For Phase Two, however, the City would have to hire a consultant and that would cost \$8,000 to \$10,000. Liden stated that she had already made note of that in the 2014 budget file. Liden then went on to explain that all that was required of the Council at this point was to appoint Kevin Nephew as the Wellhead Protection Plan manager.

A motion was made by Council member Wise, seconded by Council member Hasler, to appoint Kevin Nephew as Wellhead Protection Plan Manager. The motion was carried.

Barry Robertson, Fair Meadow Nursing Home Administrator, then gave his report to the Council. The nursing home began the month of April with 43 residents and ended the month with 42, operating at 85.86% capacity. There were two people admitted, two discharged and one had passed away. In addition they provided 106 home delivered meals and two days of adult day care.

Robertson went on to give an update on the Assisted Living. He reported that they were still working on the necessary licensure which included getting background checks on all the EDA Board members. As for the construction progress, Robertson reported that the sheetrock was going up and that they were still working on getting the cost of purchasing the excluded items. He also explained that some additional work had been approved by the City for installing CAD5 cable in the building. Co-axial cable had already been installed by ICON, but that would limit the cable and internet options for residents. Garden Valley had already been in and installed the CAD 5.

Robertson went on to report that he was still waiting for the application materials for the ECPN program. The State did not yet have the applications ready since they were waiting for the Legislature to decide the program limits. He explained that the application has to be completed by June 30<sup>th</sup> and that the ECPN increase would not take effect until October 1<sup>st</sup>.

The Summit Avenue road and bridge projects were the next agenda item discussed. Rich Sanders from the Polk County Highway Department handed out an abstract of the bids that had been received on the projects. He explained that the actual bids on the projects had come in substantially lower than what had been estimated and that this would lower the cost of the projects for the City. Knife River was the low bid on both projects with a bid of \$203,516.26 for the road project and \$216,594.16 for the bridge project. The City would be responsible for approximately \$20,150 which is for the removal of the old bridge and engineering and right of way costs. Sanders assured the Council that they would do their best to keep the engineering costs down as much as possible.

Sanders stated that the project start date was June 2<sup>nd</sup> with completion being the end of September. Kevin Nephew then asked about the dirt that would be removed from the north side of the road and whether the City could stockpile that for its own use. Sanders told Nephew that he would have to talk to Zavoral since they would be doing the removal. The next question was in regard to the concrete from the bridge that was going to be removed and whether that could be used for rip rap on the river bank. Nephew recommended that we just have the concrete hauled away.

Sanders estimated that the river crossing would be totally shut down for a week or so while the river is being bypassed for the removal of the old bridge and the setting of the box culverts for the new bridge. For the remainder of the construction period Sanders said that for most projects the roadway is left open for at least "local traffic."

Council member Wise then made the motion to pass Resolution #5-2-13 for the road project and also Resolution #5-3-13 for the bridge project. The motion was seconded by Council member Lehmann and was carried.

Kevin Nephew then gave the Public Works report and had only item in addition to all the items discussed earlier in the meeting. Nephew reported that they would be flushing the hydrants later in the week and hoped that would alleviate some of the problems that had been reported regarding discolored water. He stated that they would be more aggressive with the hydrant flushing this summer and do it more often. He also reported that they would be flushing as late as possible into the fall.

Council member Hasler reported on the Personnel Committee activities in regard to employee work logs. He explained the basic format of the logs and that employees would be expected to fill them out daily. To ensure that this would be done, he said that employees could be asked at any time to produce their completed logs.

Libby Eid reported on the volunteer activities at the Learning Center. She commented that the months of March and April had been difficult with illness, storms and flooding. In March, 17 volunteers worked a total of 51.5 hours. For April a total of 29.5 hours had been worked by 11 volunteers. Eid also reported that there were five school groups scheduled to visit during the month of May.

Upon review of the minutes of the April 8, 2013 meeting, Council member Hasler made the motion to accept the minutes. The motion was seconded by Council member Wise and was carried.

The Treasurer's Report and Bills were then reviewed. After a brief discussion regarding checks to the League of MN Cities Insurance Trust and Premier Sign, Council member Lehmann made a motion to approve, seconded by Council member Wise. The motion was carried.

The next item up for discussion was the antenna lease contract. Liden explained that the attorney had reviewed the contract and found that it covered everything that needed to be addressed. It was explained that the Council needed to decide on an annual charge for the lease and whether or not to forward the lease on to John Deere for their consideration.

After a brief discussion, Council member Hasler made the motion to set the annual charge at \$500 and forward the contract on to John Deere. The motion was seconded by Council member Lehmann and was carried.

Gaming and alcohol permits for St. Joseph's were the next item on the agenda. St. Joseph's was requesting gaming and alcohol permits for a Fish Fry on July 27<sup>th</sup> and their Annual Hoe Down in September. On a motion by Council member Hasler, seconded by Council member Widrig, the permits were approved pending St. Joseph's furnishing proof of liquor liability insurance coverage.

The next item on the agenda was a complaint that had been brought to the Council by several citizens in regard to a property that was in need of cleaning up. Twenty one people had signed a petition complaint about the property that was accompanied by pictures. After discussion, it was determined that action needed to be taken as quickly as possible to alleviate the situation. Deputy Administrator Liden stated that she had been in contact with the City Attorney who had explained the options that were available according to City Code. Liden went on to explain that the City Attorney recommended pursuing a criminal citation as that method offered the fastest and lowest cost remedy for getting the property cleaned up. Council member Wise advised Liden to contact Jim Tadman at the Polk County Sheriff's Office to see if the Sheriff's Office would be willing and able to issue a citation.

The final item discussed was in regard to the open City Administrator's position due to the unexpected passing of John Frohrip. Council member Hasler stated that he had no qualms about naming Deputy Administrator Liden as the interim Administrator. Mayor Nephew stated that it made sense to appoint Liden as she was up to speed on all the City projects.

This was followed by a discussion on pay for Liden for the interim until a special meeting could be held to permanently fill the position. Liden stated that she would like to be paid on an hourly basis since she had been working long days going through Frohrip's desk and paperwork. Council member Widrig provided information to the Council on Liden's current hourly rate as well as Kevin Nephew's and John Frohrip's hourly rates. Jon Larson asked at that point to address the Council. Larson stated that he had heard many positive comments from community members about Liden and he wanted to pass on to the Council that he felt Liden would be a good choice to have the Administrator's position.

After further discussion on what would be an acceptable hourly rate for the interim, Council member Hasler made the motion to hire Liden as the interim Administrator for \$16.50 per hour with time and a half for overtime, retroactive to May 1. The motion was seconded by Council member Wise and was carried.

This was followed by a brief discussion on the necessity of having a mini-audit done in order to establish that everything was in order. Council member Wise commented that it was a good practice to have that done when there was going to be a change in Administrators. Mayor Nephew stated that he would discuss it with the auditors in June when they were attending the Council meeting to present the audit for 2012.

There being no further business, the meeting was adjourned.

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Brian Nephew, Mayor

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Lisa J. Liden, City Administrator