

## **Fertile City Council Minutes February 12, 2018**

The Fertile City Council held its regular meeting on Monday, February 12, 2018 at 6:30 p.m. at the Community Center. Present were: Mayor Daniel Wilkens and Council members Reid Jensrud, Linda Widrig, Stanton Wang, and Todd Wise. Also present were City Administrator Lisa Liden, Fair Meadow Administrator Angie Leiting, Public Works Director Kevin Nephew, and Twylla Altepeter from the Fertile Journal. Other visitors were Brian King and Alex Ranz from Ulteig Engineers.

The following items were added to the agenda: Snowmobile trail use under the Learning Center, Building permits under Old Business and Polk County Highway Department letter under New Business. A motion was made to approve the agenda with additions by Council member Jensrud that was seconded by Council member Wang and was carried.

Approval of the minutes of the January 8, 2018 meeting was the next item up on the agenda. Administrator Liden noted that the spelling of the name of the new member of the Fire Department needed to be corrected. Mayor Wilkens then noted that more information should be added to the end of paragraph eight on page three of the minutes. He noted that a sentence should be added at the end of the paragraph stating that the roles of the FMNH Administrator and the FMNH Advisory Board member are determined entirely by Council.

A motion was made by Council member Jensrud to approve the January 8, 2018 minutes as corrected. The motion was seconded by Council member Widrig and was carried.

Administrator Lisa Liden then briefly reviewed the Treasurer's Report and Bills. Liden went over the deposits and checks for the month of January as well as some line items on the budget to actual reports and balance sheet. Liden noted also that the Budget to Actual report was as of year-end but that the financial statements were not yet audited. Council member Widrig made a motion to approve the Treasurer's Report and Bills as presented. The motion was seconded by Council member Wise and was carried.

Brian King and Alex Ranz from Ulteig Engineers then gave their report to Council. They began by giving an update on the plans for the water and sewer project and explained that the survey work was about complete. King reported also that they had met with Administrator Liden and Public Works Supervisor Nephew to see about providing water service to TDS' new fertilizer plant location as part of the project. They would continue working on the plans and specs so that they could be complete by the March 28<sup>th</sup> deadline.

King also presented a change order from the estimate for plans and specs that had been provided and approved at the December Council meeting. The December contract was for \$55,000 and the change order brought the total up to \$133,320. King explained that the new total covered all of their services up to and including the bidding phase. He noted also that under section 3 Additional Services that work on easements would be billed out at an hourly rate in addition to the contract amount.

Mayor Wilkens then asked about the timeframes for the project. King stated that the plans and specs were due on or before March 28<sup>th</sup> and that the State would know about funding about three weeks after that. This was followed by a brief discussion of timeframes for bidding on the project and the impact that can have on the bid prices.

Mayor Wilkens then asked about the timing of the out-of-pocket payments from the City prior to the project being funded by the State and getting loan funding. King explained that about 90% of the contract amount would be paid out before the project was funded. Council member Jensrud then asked how long the plans and specs are good for in the event that funding was not available. King stated that the plans would be good for up to five years.

Following the discussion on out of pocket costs prior to final funding of the project Administrator Liden asked that a Council motion should be made that all project costs paid out prior to funding would be reimbursed to the City once the funding was approved and in place. A motion was then made by Council member Jensrud that any funds

spent on the project would be reimbursed out of the loan funds and financing for the project. The motion was seconded by Council member Wang and was carried.

This was followed by further discussion on the timing of the project. Brian King explained that the project would be done in phases. For example, the work that didn't involve disturbing pavement could be done in the fall of 2018 and the remainder of the work done in early spring and summer of 2019 to allow for repaving of affected streets in the late summer and early fall of 2019.

This was then followed by further discussion on funding the project costs on an interim basis. Administrator Liden explained that the City would not have the funding to cover the full \$133,000 before the other funding was made available. Brian King then explained that there are interim funding options available through MN Rural Water. Since many smaller towns do not have the funds on hand to cover the necessary plans and specs, Rural Water had a loan program to provide interim funding until projects are fully funded. Administrator Liden stated that she would look into securing interim funding for the project from Rural Water.

Public Works Director Kevin Nephew then asked if Ulteig would be able to wait for payment on some of the contract until the project was funded. King said that they could maybe wait on some of it but definitely not the amounts that they had to pay out for contracted services. Discussion then turned to whether or not Council could approve the change order given the fact that funding was still questionable for the upfront costs of the project.

King stated that with the March 28<sup>th</sup> submittal deadline that they couldn't put everything on hold to wait and see if the City could secure an interim loan through Rural Water. King then stated that if Council could approve funding up to \$30,000 that they could continue to work without interruption and still make the March 28<sup>th</sup> deadline.

Council member Jensrud then made the motion to proceed on securing a MN Rural Water MIDI loan for \$133,320 to cover the costs of the contract and change order for plans and specs. The motion was seconded by Council member Wise and was carried.

Council member Wise then made the motion to approve Ulteig's work up to \$30,000 on the change order until such time a MN Rural Water loan is approved. The motion was seconded by Council member Wang and was carried.

Brian King then asked about setting up a meeting in the next week or so to go over the Capital Improvement Plan for the airport. He would like to include some Airport Commission members at the meeting if possible. It was decided to meet on Friday, February 23<sup>rd</sup> at 1 p.m.

Kevin Nephew then asked Brian King and Alex Ranz if they would also be setting up another meeting with him prior to the plans and specs for the water project being finalized. There were a few items that he wanted to touch base on as well such as putting in curb and gutter on some of the streets that would be rebuilt as part of the project. King assured Nephew that they would be in touch on an ongoing basis before anything was finalized with the plans and specs.

Public Works Director Kevin Nephew then gave his report to the Council. Nephew reported that they had completed the cleaning of the water treatment plant filter media last week and that it had gone well. However, since the water tower was running low before the process was complete they did have to pump some untreated water out into the system. He then went on to explain that the City's water use is unusually high and that he believes that there are probably leaks in the system using about 10,000 gallons per day but that none of the leaks had come to the surface yet. He said that they would start checking manholes in the next couple of weeks in case some of the leaks were going into the storm or sanitary systems.

Nephew then returned to discussion on the media cleaning. He said that it should be done every five to seven years and that the next time around he would likely replace the filter media rather than cleaning it. He also plans to clean out the clear well sometime in the next week.

Nephew then reported on the status of the oak boards that are at Chad Olson's. He had spoken with Chad's mother about it and she had relayed to Chad that the City is willing to pay for the work that he has done on the wood and would like to get it from his property to send it elsewhere to finish the boards. Olson stated that he didn't want to do anything in regard to the wood at this point and that he would like to wait on the matter until he is home again.

After further discussion of the matter, a motion was made by Council member Jensrud and seconded by Council member Wise to contact the City Attorney and proceed legally to get possession of the City's wood. The motion was carried.

Nephew then reported on the inventory list he had prepared for items to go on auction. Mayor Wilkens asked if the list had been given to Administrator Liden yet and Kevin stated that he would get the list to her as soon as possible. As for the two tractors that Nephew had asked about in January, Mayor Wilkens stated that he felt the City should keep the Massey since it was still quite useful but that it wasn't necessary to keep the "A." Mayor Wilkens then inquired whether the nursing home had provided a list of items that they would like to include on the auction. Administrator Leiting stated that Lionel had given a list to Kevin and that there were still a few items they were wondering about including some floor tile that Kevin Nephew had inquired about for use in the City shop bathroom.

Kevin Nephew then asked Leiting about the email he had gotten a copy of regarding bacteria testing that needed to be done at the nursing home. Leiting explained that the State requires a test for Legionella and that she had already gotten the materials to Lionel to have that test done. Nephew said that he would talk to Lionel to see if the City's bacteria test would cover their requirements going forward.

Discussion then turned to the sand and salt that the City was using and why Kevin was still getting it from MnDOT when it was available at the Polk County shop. Mayor Wilkens asked if the State delivers and gives it to us for free. Council member Jensrud explained that the State usually will give one load for free and that the City had already requested a second load this winter. Nephew then commented that the two loads were actually half loads so that the City had only received one full load. Jensrud then commented that he was concerned that since the City sand is uncovered that the salt leaches out and into the ground so the salt mixture was not strong enough. He said the City would be better off getting just the one load from the State each year and then get any additional sand that's needed from the County on an as needed basis so it isn't sitting uncovered for long periods of time. Jensrud then cautioned about asking for sand from the State and to just wait until they bring some. Nephew responded that he had been working with the State for years and that it's never been a problem when he's asked for the sand.

Mayor Wilkens then brought up the letter that had been received from Polk County regarding a transfer from State Aid Municipal Funds to the County State Aid regular account. Mayor Wilkens read a portion of the letter and noted that there was a Public Hearing set for March 20<sup>th</sup> at 10:40 a.m. to discuss the transfer. Wilkens further explained that there were two County maintained streets located within Fertile City limits and that he was concerned about transferring those funds if there was work that needed to be done on those two streets. Kevin Nephew stated that Washington Avenue had been worked on a few years ago and just needs some crack filling right now. Garfield Avenue was in good shape yet.

Fair Meadow Nursing Home Administrator Angie Leiting then gave her report to Council. Fair Meadow began and ended the month of January with 41 residents and operated at 94.62% capacity. They also served 322 home delivered meals.

Leiting then made note of the new format for the Profit and Loss Statements. There was now a column that showed the home and the assisted living combined and then columns for just the nursing home and just the assisted living. She also noted that they had received payment on two of the pending Medicaid cases but there was still \$60,000 pending. Referring back to the financial statements Leiting also noted that the cash account on the balance sheet was in the negative at month end but that there was over \$300,000 in the account now.

Mayor Wilkens then inquired about the check to Fertile Oil for propane and questioned whether the home had considered changing over to natural gas. Leiting explained that they currently only use propane for the laundry and

heating the garage. The heating for the home itself is electric and fuel oil. The assisted living, however, was heated with propane. Leiting said that she would look at the cost of converting the assisted living as well as the laundry and garage over to natural gas.

Council member Jensrud then asked about the check for the Villa for “consultant therapy” and asked why they were paying for those services when the home had a therapy department. Leiting explained that occupational services used to be provided by Kristy Langved but that since she had retired they had to outsource those services now. They had been through several providers but paperwork for reimbursement of services had been an issue with many of them, including Poissant Therapy.

Council member Widrig then asked about check number 11035 for Erickson’s Smokehouse. Leiting explained that it was for a Christmas party for staff and that it was less expensive to have a party than it was in previous years when all staff was given a turkey or a ham.

Discussion then turned to updates on the Personnel Committee activities. Leiting explained that the committee had met four times and that the main focus had been on revamping the wage scale. She noted that on the previous scale took 30 years to get to the top wage. The new scale had a couple more raises early in the scale and that an employee would top out after 10 years of service or 20,800 hours. She said that the scale that she was submitting for approval had been approved by the committee after several modifications and that they had also run the numbers into the budget and implementing the raises based on the new scale would cost the home about \$6,000 per month.

After further discussion on the wage scale and how current employees would be put into the scale, a motion was made by Council member Wise to approve the new wage scale and raises effective with the pay period beginning February 25, 2018. The motion was seconded by Council member Jensrud and was carried.

Leiting then went over some further updates on the Personnel Committee and the tasks they would focus on now that the wage scale was finished. The committee would take a break until April to allow Leiting time to work on some implementation items that needed to be taken care of prior to the new survey period starting on April 1<sup>st</sup>. When the committee resumed meeting they would begin to work on updating the personnel policy and would also review and update job descriptions. The committee would also provide guidance with procedural items that were recommending in the HDG assessment and provide support to the Administrator in matters of discipline, policy adherence and hiring support.

The next Fair Meadow item up for discussion was the establishment of a Finance Committee. Leiting said that working with the personnel committee had gone quite well and that she would like a finance committee established to work on budgetary and financial matters. She recommended that the committee be comprised of two Council members, two Advisory Board members, herself and also the City Administrator Lisa Liden. She noted that Michelle Cote was willing to serve on the committee as well and that she would seek out one more Advisory Board member to serve.

After discussion of the matter, Mayor Wilkens agreed that a Finance Committee should be established and that the Council representatives would be himself and Council member Wise. In addition he appointed Michelle Cote, Angie Leiting and Lisa Liden and one more Advisory Board member to be determined later to sit on the committee. Council member Jensrud then made the motion to establish the FMNH Finance Committee as named by Mayor Wilkens. The motion was seconded by Council member Widrig and was carried.

This was followed by further discussion on all Council members serving on one or more of the Fair Meadow Committees so that everyone was involved and informed on nursing home matters. Council member Jensrud noted that he was interested in serving on the Advisory Board and since Mayor Wilkens was now on the Finance Committee he would be interested in serving on the Board instead of Wilkens.

A motion was then made by Council member Widrig, seconded by Council member Wise for Council member Jensrud to replace Mayor Wilkens on the FMNH Advisory Board.

The next item on the agenda in regard to the nursing home was approval to fill the Assistant Director of Nursing position. Leiting explained that the position had been open for some time and, in light of HDG's recommendation of the DON delegating some of her work, she would like to fill the Assistant position. Leiting reported further that she had advertised the position internally and that one RN had applied for the position. That applicant was well suited for the position and her areas of interest and expertise were complimentary to those of the DON, so they would make a good team.

Council member Jensrud then asked whether the Assistant DON would be in line to fill the DON position if that were to become available. Leiting responded that an opening in the DON position would be advertised both internally and outside the organization in order to find the candidate most suited to that position.

A motion was then made by Council member Widrig to approve the filling of the Assistant Director of Nursing position. The motion was seconded by Council member Jensrud and was carried.

Mayor Wilkens then commented that he was quite concerned about the fact that the money that had been saved by eliminating the one part-time maintenance position was spent on the raises for the new team leader position which seemed to pop out of nowhere. He said that going forward any of decisions such as that would have to be made with Council approval.

The City Administrator's Report was then reviewed by Lisa Liden. She noted that a great deal of time had been spent in January on working with various scenarios for the new wage scale for the nursing home. Liden also explained that January was also very busy with all of the annual reporting that was due for payroll and State reports.

Liden also gave an update on the Park project and discussion was also held on hiring a grant writer to submit a grant request to the DNR for the concrete work and boards for the new skating rink. Council member Jensrud commented that Liden should contact the grant writer for the fire department since that person had been quite successful in getting grants. Jensrud said that he would get the name of the department grant writer so Liden could make contact. Jensrud also reported that he would be meeting with Sam Finseth from Garden Valley to discuss the security and camera system for the new building. He would ask Finseth to write up a quote for Council to review at a later meeting.

Under the Learning Center, Mayor Wilkens reported that there have been issues this winter with snowmobiles tearing up the ski trails. He would be meeting with the President of the Sand Hill Snowcruisers to see about getting a joint letter submitted to the Journal about proper trail use.

Council member Jensrud reported that at the AELC annual meeting that there had been a discussion on fire department and EMT training for rescue at the Learning Center. A mock rescue had been set up and carried out in late January and the City's snowmobile was used for the drill. Jensrud noted that the sled wasn't running very well and that it needs work.

After further discussion of the snowmobile and the issues that they had with it, a motion was made by Council member Jensrud to send it to Thief River Falls to have it thoroughly gone over and repaired. The motion was seconded by Council member Wang and was carried.

Under the Fire Department, Council member Jensrud reported that the department had one call in January for the smell of anhydrous in town. Jensrud then explained that he had been elected as Vice President of the Relief Association and that he would have to step down as the Fire Department liaison. He recommended that Council member Wang be the new liaison. Council member Wise then made the motion to name Council member Wang as the fire department liaison. The motion was seconded by Council member Widrig and was carried. An announcement was then made that the annual Fire Department Town Board meeting would be held on Thursday, February 15<sup>th</sup> at 6 p.m. at the fire hall. Everyone on Council was welcome to attend.

There was nothing to report under the Airport Commission. The Personnel Committee updates would be given at March's meeting.

Under the added agenda item regarding building permits, Council member Wang brought up that he had heard a few negative comments about the new garage that Red River Bank was building. He commented that the bank had stated that the new structure would look like a residential garage so that it would fit in with the neighboring structures. It now appeared as though the building would be sided in steel and would look more like a pole building and that residents in the neighborhood were not happy. Wang was wondering if something could be incorporated into the building permit form to address outside finishes and also the height of proposed structures. After discussion on limitations imposed by the lack of a City building inspector, it was decided to look at updating the permit forms to include finishes and building height.

The contract with Short Elliot Hendrickson for airport zoning was the next item up on the agenda. Administrator Liden explained that the contract had been reviewed by the City Attorney and he had approved it. The cost of the contract was \$24,500 and the State would be reimbursing the City for 95% of that cost so the City share would only be \$1,225. The contract with SEH was approved on a motion by Council member Wang that was seconded by Council member Wise and was carried.

A Public Hearing for a Conditional Use Permit was the next item up on the agenda. Administrator Liden explained that at this time all Council needed to do was to call for the Public Hearing at the March meeting. A motion was then made by Council member Jensrud, seconded by Council member Wang to call for a Public Hearing on March 12<sup>th</sup> at 7 p.m. on the Conditional Use Permit application that had been submitted by Aaron and April Swenby. The motion was carried.

The final agenda item that needed to be addressed was Administrator Liden's question regarding per diem for Council members on official City committees. The question had been raised a couple of times recently with all of the committee meetings during the month of January. After reviewing City Code, Liden commented that the Code stated that Council was to be compensated \$15 per meeting for special meetings and Liden wanted Council confirmation on whether committee meetings constituted special meetings. Mayor Wilkens then commented that he just assumed that members were compensated for all meetings and Liden explained that it had not been an issue until early this year when more committees were established and more meetings were being held.

After further discussion of the matter, a motion was made by Council member Jensrud to clarify that the \$15 added compensation should apply to bona fide committee meetings to take effect as of January 1, 2018. The motion was seconded by Council member Wise and was carried.

There being no further business, the meeting was adjourned.

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Daniel Wilkens, Mayor

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Lisa J. Liden, City Administrator