

## **Fertile City Council Minutes**

### **June 9, 2014**

The Fertile City Council held its regular meeting on Monday, June 9, 2014 at 6:30 p.m. at the Community Center. Present were: Mayor Brian Nephew and Council members Tanner Lehmann, Linda Widrig, Dennis Hasler and Todd Wise.

The meeting was called to order by Mayor Nephew and Luke Evenson from Eide Bailly was introduced to the Council. Evenson then proceeded to go over the Executive Summary for the Council by explaining that the summary was a report that Eide Bailly had started to include with the official required financial reports and that the summary offered a condensed version of the financials in a graphic form that was much easier to understand.

Evenson explained that the City had received a clean audit opinion which is the desired outcome of any audit. The overall information provided in the review showed that the City was in good financial position and that the City's financial outlook had been improving gradually over the past few years. There had been some increase in debt and economic development expenditures which had caused a downward trend in a few areas but Evenson stated that those trends were only short term.

Following the audit presentation, Mayor Nephew asked if there were any agenda revisions or additions and since there were none, the agenda was approved as presented.

The first item on the agenda was the consent agenda which included seven items. Mayor Nephew explained to the Council that any of the items could be moved to the regular agenda if any of them felt a particular item warranted further discussion. There was no request to remove any of the items from the consent agenda. The consent agenda was approved on a motion by Council member Hasler that was seconded by Council member Lehmann and was carried.

Fair Meadow Administrator Barry Robertson was unable to attend the meeting but had provided his monthly written report. This report showed that the Fair Meadow began the month of May with 47 residents, ended with 46 and operated at 91.93% capacity. In addition they had served 196 home delivered meals and provided 21 days of adult day care.

Kevin Nephew, Director of Public Works, then appeared before the Council to give his report. Nephew referred the Council to the two quotes that he had received for summer road repair projects. He then went on to explain to the Council that usually only one or two streets are repaired per summer but that upon inspection this spring he determined that there were several streets that needed immediate attention since they had deteriorated so badly. Council member Hasler then asked for clarification on which streets Nephew was proposing be repaired this summer.

Nephew then explained that by doing several streets this summer the City was getting a much lower price than usual at \$85 per ton compared to the \$100 per ton that we would pay for a smaller project. This was followed by a discussion on timing of the projects as well as what Kevin would have to do to prepare for them.

After further discussion, Council member Wise made the motion to accept the Knife River bid for \$109,360.50. The motion was seconded by Council member Hasler and was carried.

Nephew then briefly reported that the summer mowing would be done by Grant Ellegaard since Jeff Adams would be working full time in East Grand Forks and was unavailable. He stated that Grant would be working for two to three hours per day for two to three days per week as was needed for mowing.

The Treasurer's Report and Bills were then presented by Administrator Liden. Council member Widrig made the motion to approve the Treasurer's Report and Bills. The motion was seconded by Council member Lehmann and was carried.

The next item up for discussion was the airport haying contract. Mayor Nephew began by explaining that Dan Wilkens had not agreed to end his lease for the current year and that unless he did so he would hold the lease until April 30, 2015. This was followed by a discussion of the timeframe of the lease and whether it would be better to change the lease term to a calendar year.

David Lehmann, who was present and had submitted a bid then asked the Council about allowing for preparation time by basically not starting the five year lease term until 2016 as that would allow for time to cultivate and plant. He explained that if the current lease had ended this summer, this fall would allow for time to cultivate, but with the new lease term beginning in May of 2015 that there would basically be no hay to cut during the summer of 2015. This was followed by a discussion of possible timeframes to allow for cultivating and other field preparation.

Lee Duckstad, another bidder who was present at the meeting then inquired whether or not there were any airport projects in the future that could interfere with haying. Mayor Nephew explained that the only project currently scheduled involved some ditching along the runway. Kevin Nephew pointed out that the ditching project would actually have more of a positive impact on the haying since it would drain some of the wet areas. This was followed by a discussion of ditch locations and where the water would be drained to. All those present that had submitted bids indicated that they might be willing to assist with the ditching project that was scheduled for the near future. Mayor Nephew stated that any ditching would have to be cleared with Minnesota Aeronautics to ensure that the ditches were done properly as to not interfere with airport operations and runway safety.

After further discussion a motion was made by Council member Lehmann to allow the successful bidder field preparation time by allowing a rent free period either this fall if the Wilkens lease was terminated prior to September 1 or next year from May 1<sup>st</sup> thru December 31<sup>st</sup> if the current lease was not terminated prior to September 1, 2014. The new lease term would then run from January 1<sup>st</sup> thru December 31<sup>st</sup> for a period of five years with the lease terminating on December 31 in 2019 or 2020 depending on whether the new lease term began in the fall of 2014 or May of 2015. The motion was seconded by Council member Widrig and was carried.

Mayor Nephew then asked the bidders that were present if those lease terms were satisfactory and if they wished to still bid on the contract. Dean Johnson who had submitted a bid stated that he would like to withdraw his bid so it was returned to him unopened. The other three bidders, Mark Erickson, David Lehmann and Lee Duckstad, stated that they still wished to bid on the lease, so Mayor Nephew distributed those bids to Council for opening.

Upon opening of the bids Mayor Nephew announced that all the submitted bids were complete and on the required bid form. Matt Erickson had submitted a bid for \$15 per acre, David Lehmann for \$10 per acre and Lee Duckstad for \$18 per acre. Then the floor was opened up for verbal bidding as was allowed by previous decision of the Council. Lehmann then verbally increased his bid to \$20

per acre. Erickson then responded by increasing the bid to \$22 per acre. Lehmann responded by increasing his bid to \$25 per acre. After three calls for further bids there were no responses so the bidding was closed.

Council member Hasler then made the motion to accept David Lehmann's bid in the amount of \$25 per acre. The bid was seconded by Council member Widrig and was carried.

Liz Valdez' request for a 2 a.m. closing license was the next item up on the agenda. The Council briefly reviewed the written request that Valdez had made in January. Mayor Nephew asked Ms. Valdez how late bands would be playing if the license was granted since there had been problems in the past with noise complaints. Valdez stated that any bands would still stop playing at 1 a.m. since they generally charge for playing from 9 p.m. to 1 a.m.

Mayor Nephew then inquired as to when the bar would actually close if alcohol were served until 2 a.m. Valdez explained that they would stop serving at 2 and the bar would close no later than 2:30. She also stated that she didn't anticipate staying open that late every night and that she mainly wanted the 2 a.m. license for weekend nights and special occasions.

This was followed by a discussion of which area towns already allow for 2 a.m. closings and whether or not the other two establishments in town would be interested in the same license as well. Valdez pointed out that she didn't believe the other two bars would be interested in extending their hours and that she hoped that by having the ability to stay open later that she would better able to compete with the other two bars that were well established in the community.

Mayor Nephew then asked Jon Larson, a citizen who was present at the meeting, what his opinion was on the subject. Larson stated that he felt there was already enough traffic and driving around in the early morning hours and that having a bar open until 2:30 would extend the timeframe of traffic going up and down the streets. He also stated that he felt that 1 a.m. was plenty late to be open and that he didn't understand why anyone would want to stay out later than that.

Mayor Nephew then offered that the Council did have the option to approve the license on a trial basis for six months or so with a stipulation that the license be revoked if there were two or three reports of problems. Valdez then asked what type of problems could result in revocation and how it would be determined that the issue was caused by being open another hour.

After further discussion about whether or not a motion to approve, not approve or table the request was required, Ms. Valdez' request for a 2 a.m. closing license died for lack of a motion.

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

