

## **Fertile City Council Minutes November 13, 2018**

The Fertile City Council held its regular meeting on Tuesday, November 13, 2018 at 6:30 p.m. at the Community Center. Present were: Mayor Daniel Wilkens, and Council members Linda Widrig, Reid Jensrud, and Stanton Wang. Also present were City Administrator Lisa Liden, Fair Meadow Administrator Angie Leiting, City Engineers Alex Ranz and Kris Carlson from Ulteig and Twylla Altepeter from the Fertile Journal.

The meeting was called to order by Mayor Wilkens at 6:30 p.m. Council member Jensrud asked that the dasher board installation be added to the agenda under old business and Council member Widrig asked for website updates and Health Savings contribution be added to the agenda, also under old business. Council member Jensrud then made a motion to approve the agenda as amended. The motion was seconded by Council member Wang and was carried.

There were no public comments.

The approval of minutes was the first item up on the agenda. Mayor Wilkens referred to the last paragraph on page four of the October 8<sup>th</sup> minutes and said that the information needed to be corrected to reflect that he had not spoken with Randy Sondrol about a school resources officer but that he had spoken with Superintendent Clarke about the matter. He also asked for a revision to reflect that Council member Wang had received further information on the matter at a later date.

Council member Jensrud then made the motion to approve the minutes of the October 8<sup>th</sup> meeting as amended and the October 17<sup>th</sup> and October 30<sup>th</sup> minutes as presented. The motion was seconded by Council member Widrig and was carried.

City Administrator Lisa Liden then gave a brief overview of the financial statements and the out of the ordinary bills paid in October. Liden also explained the two sets of income numbers on the bottom of the General and Water Funds Profit and Loss Statements (P &L). Liden explained that the first set of numbers on the General Fund P & L included the purchase of a fire truck and also the expenses for the new building in the park and the second set of income figures under the Water Fund P & L excluded the engineer costs for the water project.

The Treasurer's Report and Bills was approved on a motion by Council member Widrig that was seconded by Council member Jensrud and was carried.

The City Engineer's Report was the next item up on the agenda. Alex Ranz and Kris Carlson began by going over the numbers for the bids that had been received for the water project. The low bid, in the amount of \$2,159,672.75, was submitted by Sellin Brothers. Ranz and Carlson then went over the total numbers for the project. In addition to the bid amount, there were additional costs for construction contingencies, and engineering, testing, admin, and legal. With those additional costs factored in, the total project cost would be \$2,710,656.39.

It was explained further that the costs associated with the sewer portion of the project were not eligible for Public Facilities (PFA) financing since they only fund water projects. A separate loan could be applied for through MN Rural Water for the \$470,475.08 that was for the sewer portion of the project. Ranz noted also that they were able to put all of the engineering, testing, admin, and legal costs on the water side of the project in order to have those costs eligible for PFA financing. Since PFA rates are typically 3% below market rate, it would be advantageous to get as many of the costs as possible on the PFA side of the financing. It was noted also that based on the actual as bid project costs, the City was eligible for \$585,606 in grant funding through PFA.

Discussion was then held on the loan process for the MIDI loan that could be secured through MN Rural Water for the sewer portion of the project. Kris Carlson explained that the MIDI loan was typically market rate and there were no penalties for paying early on the loan. He stated also that he could have David Drown come to the meeting in December to discuss the MIDI loan further. Mayor Wilkens then commented that he would like to go through the rest of the agenda items and return to the water project at the end of the meeting so a longer discussion could be held on the matter before a decision was made whether or not to accept the low bid and move forward.

The water treatment plant was the next item up for discussion with the engineers. The Ron Kleinshmidt, Ulteig's water operations specialist had submitted a written report outlining recent visits to the plant and meetings with Kevin Nephew to go over plant operations. Ranz and Carlson went over the report for Monday, November 12<sup>th</sup>, and their review of the test results on the filter media. They reported that Tonka has tested a sample of the media and that it is still in good condition. Tonka also recommended making sure the filter influent PH is above a certain level and doing an annual potassium permanganate saturation for media recharge. In addition, there were other recommendations listed that could be implemented to see if there was improvement in the water quality. Ulteig recommended making those changes before spending a lot of money to bring in Tonka to go over the plant operations.

Mayor Wilkens then asked how often Kevin Nephew backwashes if they are done every 200,000 gallons. Nephew explained that they backwash Monday, Wednesday, and Friday every week and that they try to backwash late on Friday and early on Monday to accommodate high weekend water usage.

Council member Jensrud then inquired about whether or not the treatment plant keeps records of backwashes and Nephew replied that it does if it is backwashing automatically according to head pressure. If the backwash is done manually, the plant doesn't keep a record. Nephew then went on to state that he has been keeping a record of the manual backwashes for the last two months. Nephew stated also that he would like to be able to set the computer at the plant so that it could automatically backwash based on gallons of water used rather than head pressure. This was followed by a discussion on the computer system at the plant and whether it could be programmed to backwash based on gallons used rather than head pressure. Council member Jensrud then questioned whether we should make that switch to gallons rather than head pressure since Tonka set it up the way they did and perhaps there's a reason to go off of head pressure instead. Nephew then explained that Tonka sets it up that way to accommodate varying levels of water quality, but since Fertile's is a ground water system with pretty consistent quality; our plant doesn't necessarily need to run off of head pressure.

Fair Meadow Administrator Angie Leiting then gave her report to Council. The home started the month of October with 42 residents and ended with 41 residents, operating at 97.61% capacity. They also provided 386 home delivered meals. Leiting then reported that the P & L for October showed a profit of \$93,133.70 for the nursing home and assisted living combined. Leiting noted that the profit amount for October was a little high due to some bills being pushed through and paid before September 30<sup>th</sup> which was their year end. She noted also that the nursing home available cash balance continues to go up each month which was good since they would be starting with bi-weekly payroll in January of 2019. Leiting also explained that they were continuing to try keeping expenses low and that she was meeting with department heads monthly to go over the budget and where they were at with spending.

Leiting then went on to let Council know that she had gone to the nursing home in Twin Valley to look at some equipment that they would be selling since the home was now closed. She would be putting in a bid on some wheelchairs and beds that were in really good condition. These items are needed and would normally be purchased new, so purchasing them through Twin Valley should result in substantial savings.

Leiting ended her report by letting Council know that they were still making some renovations on the home and that the flooring project was done and that painting was being done in the dining room and the south hallway. She noted also that the nursing home was currently full and that there were two units open in the assisted living that they were expecting to fill shortly.

Council member Wise then arrived at the meeting.

Kevin Nephew, Public Works Director, then gave his report to Council. He began by asking about the Gopher One locate for the skating rink and when the light poles would be going in. Administrator Liden explained that she had been in contact with Otter Tail and that we would be contacted when the crew would be in town to set the poles.

Snow removal in the downtown area was then discussed. Mayor Wilkens began by asking about the committee that had been established to go over the snow policy to determine if there were changes that needed to be made. Council

members Wang and Jensrud explained that they had not yet met to go over the policy but that they would look at scheduling a meeting in the near future.

Council member Widrig then read an email that had been sent to her by a downtown business owner. The business owner had concerns about the condition of the sidewalks in town and had asked if the City could look into grant funding to replace sidewalks. The business owner also asked about snow removal downtown and whether the City could take care of removing the snow on a timelier basis. They also expressed concern about the snow being piled behind their business due to the fact that when it melted in the spring, the water would run into their basement.

This was followed by further discussion on the City's current snow removal policy. Kevin Nephew explained that when we have a large snowfall they work on getting the streets cleared first and once all the streets are cleared they try to return to the downtown area to do further cleanup at the curbs. Nephew did state, however, that quite often most businesses have already taken care of getting the areas in front of their stores cleared. Nephew also commented that it's getting more difficult all the time to find downtown areas to pile the snow since a lot of the snow from the east side of Highway 32 used to get piled behind Vern Anderson's building. Now that Anderson has a warehouse in that location, they have one less spot to pile the snow.

Mayor Wilkens then inquired whether the City had a formal policy and Kevin Nephew said that the City did have a policy in place. Mayor Wilkens then asked if the committee could meet soon to go over the current policy to see if changes needed to be made. The updated policy could then be put on the City website so that residents could refer to the policy if they had questions. Administrator Liden stated that she would get Jensrud and Wang a copy of the current policy so they could review it prior to meeting.

The next Public Works item up for discussion was the disposal of scrap that had been cleaned out of the shop. Administrator Liden explained that there were some items that Kevin Nephew had pulled out of the shop that were truly scrap with no value and that Nephew would like some guidance on how to get rid of these items. Mayor Wilkens inquired what the items were and Nephew explained that they were miscellaneous pieces of steel and some old battery chargers that no longer worked. He explained further that it amounted to less than a quarter of a pickup box load. It was determined that Nephew could contact Spanky's Recycling to get rid of the items. Kevin Nephew then asked what should be done with the wood from the old salt bin. Mayor Wilkens recommended getting the bin taken apart and the wood stacked to the side so that it could be put on auction in the spring.

Council member Jensrud then inquired about where the fire department trailer could be stored and if there would be room in the shop on Blaine Street so that it was more easily accessible for the fire department. Kevin Nephew said that he would have to move things around to make room for it and that it couldn't go in the west door on the cold side since that door was used to back the ranger out of the warm side of the shop during the winter. Nephew then inquired whether the fire department would perhaps have any room in their own shop if they had equipment they could get rid of. A brief discussion was then held on whether or not the fire department could pull the old brush hog out of their shop to make room for the trailer. Council members Jensrud and Wang said that they would check into that option.

Kevin Nephew then asked about whether or not volunteers were covered by the City insurance policy when they use or drive City equipment. Administrator Liden reported that she had checked with Karin Braun at Red River Insurance and that Braun had assured her that the City policy covered volunteer activities including use of equipment. Nephew stated that he was concerned if there were a snow event and either he or Dan was unavailable if a volunteer would be able to help clear snow. Council members Jensrud and Wang then stated that they would be willing to volunteer if ever needed. This was followed by a discussion of snow removal policy and also whether or not the salt dog was being used this winter. Nephew stated that the salt dog was in the back of the pickup and that they had already been using it when needed.

Mayor Wilkens then inquired about the Christmas lights and whether they would be going up this week. Administrator Liden explained that the flags would stay up through the end of the week to honor the veterans who had recently passed. When the flags came down the following week the Christmas decorations would go up.

Mayor Wilkens then gave a progress report on the work that was being done on the two hills on the Learning Center property. He explained that they had run into an issue in getting loads of clay to the top of the hill of the trail that comes off of Old Mill Road. The back access road was too soft and after a few loads went through, the last truck ended up getting stuck. There was a better way to access the top of the hill, but that access road was through private property and the owner had denied access due to the fact that it was deer season and there were hunters on the property.

Administrator Liden then gave the Administrator's report for the month of October. Liden noted first of all that the report was not all inclusive and just covered some of the items that she had worked on in the prior month. Council member Jensrud then asked what time period was covered by the report and Liden explained that the time and attendance information was for the previous calendar month and that the activities outlined in the report were items dealt with between regular Council meetings.

The Learning Center Education Director's Report was then briefly reviewed. Council member Jensrud recommended that since the report covered the Director's goals for the upcoming month that it would be good to include the current report and last month's report in the Council packets so that the goals could be compared to what had been accomplished.

There was no report for the Fire Department.

Under the Airport, Administrator Liden reported that she was still waiting to hear from Polk County on who they would appoint to serve on the Joint Airport Zoning Board. Once the County appointments were made, a meeting could finally be scheduled with MnDOT and Short Elliott Hendrickson to go over the zoning plan.

Council member Jensrud then reported on the skating rink project and how they would likely proceed in getting the dasher boards assembled. He noted that the boards came with no instructions and just a picture but that the boards were numbered. His plan was to put three of the boards together and bolt them to each other but not to the footings right away. That way the boards could be moved around as required until the entire rink was assembled. Once all the pieces were in place and the gates in the needed locations, the boards would be bolted down to the footings. The glass would be put on very last after the rink was assembled.

Jensrud then went on to report that he was looking for volunteers to assist on November 30<sup>th</sup> and December 1<sup>st</sup>. He had already contacted the school and two teachers would have their classes out there for the entire day to assist with assembly. Jensrud then asked Administrator Liden to get an inventory of all the dasher board parts ahead of time so that more plates and bolts could be ordered if needed. It was also determined that a hammer drill would be required and that one should be rented or purchased since the City didn't currently own one. Jensrud then asked Liden about the status of the light poles for the rink. Liden explained that Otter Tail had been contacted and that they would be put in whenever the crew was in the area.

Council member Widrig then explained that Kevin Nephew had talked with her about the City making monthly contributions to a Health Savings Account (HSA) for him instead of health insurance. Nephew was able to get insurance through his wife's policy at the nursing home, so he would like to be able to take advantage of those benefit dollars to go into an HSA. Administrator Liden reported that she had emailed the League of MN Cities Human Resources Department and was waiting to hear back from them on the matter.

Council member Widrig then inquired about the City's website and pointed out several updates that were needed. The pictures on the site were summer pictures and should be changed over according to season. The events listed were also out of date and should be changed. Administrator Liden said that she would contact April Swenby to make those changes. This was followed by a discussion on when and how often the website is updated. Liden explained that there is a minimum charge of \$30 per hour for each time there are changes made and that she generally updates once or twice a month rather than contacting Swenby every time there's a change like events to be added or deleted.

The next item up on the agenda was Resolution #11-1-2018 the Election Canvass Resolution. After a review of the vote totals for the 2018 General Election, it was noted that the signature line on the resolution needed to be changed.

A motion was then made by Council member Wang to approve Resolution #11-1-2018 A Resolution Approving the Canvass of the Municipal General Election Held on November 6, 2018. The motion was seconded by Council member Jensrud and was carried.

With all other agenda items taken care of, discussion then returned to the water project and the bids that had been received. Discussion was held on whether or not the project should be bid again in the spring and if that would result in better numbers. Council member Widrig asked Alex Ranz and Kris Carlson whether or not rebidding in the spring would result in lower numbers and they stated that the bids could go either way.

Discussion was also held on the current debt load of the City and Council member Wise inquired about the current per capita debt load and what it would be if the City went ahead with the water project. Administrator Liden then did the calculations on the current debt which is comprised of bonds for the treatment plant, the assisted living, the nursing home renovation, and also the TIF District. The current debt worked out to \$4,908 per capita and with the addition of the bonds for the water project, the per capita debt would go up to \$7,033. Liden noted, however, that the majority of the City's debt is in the form of revenue bonds since most of the debt was on the business type activities of the City. In the case of those bonds, there were revenue streams to make payments on those debts.

A long discussion was then held on the matter. The discussion touched on the necessity for the project and how it will increase water flows throughout the City. Council member Jensrud then noted that the school renovations that were done in the summer included upgrades to their fire suppression equipment and that their project had been completed with the assumption that the water main on Jefferson was going to be upgraded. Jensrud noted that if the City didn't follow through on the project that the school would have to incur additional costs for their sprinkler system. Council member Widrig noted also that if there ever was a fire at the school or the nursing home that the City would wish they had made the necessary upgrades to the water system.

Also discussed was the impact that the project would have on the water rates. Administrator Liden noted first of all that the payment schedule for the project had been updated to have lower payments the first three years until the water treatment plant bonds were paid off. Liden also recommended going with a flat capital improvement line item on the water bills to cover the bond payments each year. She noted, however, that she would like to have a formal rate study done in order to make sure that all costs are covered and that those costs are fairly distributed among customers. Alex Ranz noted that MN Rural Water does offer assistance with rate studies for smaller cities and Liden said she would look at getting their assistance.

Mayor Wilkens then commented that he would like to hold a public meeting on the water project so that residents could be better informed on why the project is necessary and to ask questions. Administrator Liden then asked if an open house forum would perhaps be better than a large public meeting. Alex Ranz stated that in the past they have been present at both types of forums, and that they preferred the open house type meeting since residents felt more comfortable asking questions.

After further discussion, a motion was made by Council member Jensrud to accept the low bid submitted by Sellin Brothers and to move forward on the project. The motion was seconded by Council member Wang. A roll call vote was then called for and all Council members voted in the affirmative. The motion was carried.

The meeting ended with a short discussion on Ulteig's work at the water treatment plant and trying to determine what was causing discolored water on occasion. Mayor Wilkens reiterated that he wanted to get Tonka involved in the process since they had built the plant. Ranz and Carlson stated that they would continue to work with their water specialist and would stay in contact with Tonka to determine the best route to take to remedy the situation.

There being no further business, the meeting was adjourned at 10:15 on a motion by Council member Wise.

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Daniel Wilkens, Mayor

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Lisa J. Liden, City Administrator