

City Council Minutes August 13, 2012

The Fertile City Council held its regular meeting at 6:30 p.m. on Monday, August 13, 2012 at the Community Center. Present were: Mayor Brian Nephew and Council members Dennis Hasler, Todd Wise and Dan Gisvold.

Barry Robertson, Fair Meadow Nursing Home Administrator, made his report to the City Council. Fair Meadow began the month of July with 46 residents and ended with 45 and operated at 93.35% capacity. There were 142 home delivered meals and 26 days of adult day care. He also explained that they are losing money so far this year, which is due to both lower occupancy and the lower rates.

Robertson reported that there were ongoing discussions on replacing the fuel boilers at the Nursing Home. The ones currently in use were original equipment and function as back-up to the electric heat. The preliminary cost to replace the boilers would be around \$90,000 for a series of smaller boilers, which would include removing the asbestos in the old piping.

Todd Hagen from Ehlers then addressed the Council about the current status of the bond issue for the Assisted Living Project. He explained that the City had finished the rating process with Standard and Poor's and that the rating call had gone really well. He anticipated having the City's rating by the end of the week.

Hagen then explained the purpose of Resolution #8-1-12 which mainly covered items required by Federal Law. The first purpose of the resolution was for the Council to give final approval on the issuance of the bonds. The second purpose was for the City to the EDA a \$3M portion of the City's \$5M small issuer rebate exception authority. The final purpose of the resolution was for the City to agree to provide continuing financial disclosure. He further explained that this was limited rather than full disclosure and that a filing with the County Auditor would be required.

After some discussion, Council member Gisvold made the motion to approve Resolution #8-1-12 Authorizing and Approving the Sale by the EDA of the City of Fertile, Minnesota's \$3,000,000 Housing Development Revenue Bonds, Series 2012A and Allocating Small Issuer Rebate Exception Authority. The motion was seconded by Council member Hasler and was carried.

Todd Hagen then explained the purpose of Resolution #8-2-12 which pertains to the water/sewer and lift station on the Peterson and Industrial Park projects. He explained that the Resolution would allow the City to reimburse itself from bond proceeds for project costs that the City pays for before the bond issuance.

Council member Hasler made a motion to approve Resolution #8-2-12 Establishing Procedures Relating to Compliance with Reimbursement Bond Regulations under the Internal Revenue Code, seconded by Council member Gisvold. The motion was carried.

Kevin Nephew, Director of Public Works, then reported to the Council. The first item discussed was the replacement of the shop roof. Nephew had obtained quotes on the cost of materials for either getting the roof shingled or replaced with steel and stated that he would get more quotes on the labor portion of the job. After some discussion on the matter, Council member Wise made a motion,

approve replacing the shop roof with steel. The motion

Mayor Nephew then inquired as to the status of the tractor and whether the issue they were having with it had been solved. Kevin explained that the pressure had been set down to the factory setting and that it appeared to have solved the problem. He explained that it was just going to take some time getting used to how to operate it.

Kevin Nephew then reported on progress on the Peterson Subdivision and Industrial Park projects. Eric Engelstad has been doing some work on Peterson's and Kevin would like for Engelstad to do leveling and road work in the Industrial Park as well since the road should go in before the lift station project is started. The estimated cost of the road and leveling of the east lots would be around \$15,000.

Then there was some discussion on whether the City staff could install the sewer lines in addition to the water lines for the Peterson and Industrial Park projects. Nephew explained that he would have to hire 3 or 4 other people to help and that it would still take close to a month to complete. He also stated that all the preliminary cost work with the engineers had been calculated based on the City only doing the water lines. John Frohrip then explained that the first step would be getting bids on the lift station as well as the sewer lines.

Council member Hasler then made a motion, seconded by Council member Wise, for Kevin to proceed on the water lines and grading on Peterson's and the Industrial Park. The motion carried.

On a final note, Kevin asked that replacing the J.D. Mason Park bathrooms be considered when doing the budget for 2013. He also stated that someone should approach the Sand Hill Snow Cruisers to see if they were still interested in paying for the construction of a bathroom and warming house building in the park.

Administrator Frohrip then reported on the Nature Center Road Project. There were still questions regarding the right-of-way with the Campbells. Frohrip stated he would get in touch with Bob Bjerk from the County since he was the one handling all the right-of-way matters.

Libby Eid reported that during the month of July a total of 15 volunteers had put in 44.5 hours hosting at the Nature Center.

After a review of the minutes from the July 9, 2012 meeting, Council member Gisvold made a motion, seconded by Council member Wise, that the minutes be approved. The motion carried.

The Treasurer's Report and the current bills were then presented. Council member Gisvold, seconded by Council member Hasler, moved that they be approved. The motion was carried.

The next item on the agenda was an EDA reappointment. Mayor Nephew nominated Gary Kiefert to continue serving on the EDA. This was seconded by Council member Gisvold and was carried.

Council member Hasler then made a motion to approve the permit application that the Education Foundation had submitted for holding a Walk-A-Thon. Council member Gisvold seconded the motion and the motion carried.



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... preliminary budget had been included in their meeting
... budget would need to be approved at September's Council

There being no further business, the meeting was adjourned.

Brian Nephew, Mayor

John J. Frohrip, City Administrator