

Fertile City Council Minutes

April 8, 2013

The Fertile City Council held its regular meeting on Monday, April 8, 2013 at 6:30 p.m. at the Community Center. Present were: Mayor Brian Nephew, Council members Dennis Hasler and Todd Wise. Council members Linda Widrig and Tanner Lehmann were absent.

The meeting was called to order by Mayor Nephew. Council member Hasler requested that the Personnel Committee report be added to the agenda.

Barry Robertson, Fair Meadow Nursing Home Administrator then gave his report to the Council. The nursing home began the month of March with 42 residents and ended with 43. It operated at 85.93% capacity and during the month had two admissions and one discharge. They also served 110 home-delivered meals and provided four days of adult day care.

Robertson then gave an update on the Assisted Living facility. He reported that the concrete for the floor is almost all poured and that they were in the process of clearing out Emil's office which is where the assisted facility will connect to the nursing home. Council member Hasler then asked if they were on schedule with the project. Administrator Frohrip responded that they were currently about two weeks behind schedule.

The next item up for discussion was the various things that would be needed to furnish the assisted living once construction is done. Robertson stated that it was almost time to order window treatments, furniture and the call system and that they were currently pricing the items that were needed. In regard to the call system, Mayor Nephew asked Robertson if the system for the assisted living would be tied in to the existing call system for the nursing home. Robertson explained that they would not be tied in together since the nursing home system was hard wired while the system for the assisted living would be wireless with pendants for the residents to wear. Robertson did report, however, that they would like the assisted living phone system tied in to the nursing home and that a decision on that would have to be made in the next few weeks before the sheet rock starts going up.

Robertson also reported that in regards to the ECPN Program that he was waiting for the current application form to be available for enrolling. He then went on to report that Kent Eken has introduced three bills to help nursing homes with funding, including a bill that would allow the costs of complying with the Affordable Care Act to be passed through to the rates they could charge. Robertson stated that it was unlikely that the bills would be passed.

Public Works Superintendent Kevin Nephew then reported to the Council. Nephew reported that he had talked with Steve Emery of Widseth Smith and Nolting about the sewer line extension needed on Albert Ave. NE for Keith Christianson's and Butch Olson's shops. They had determined that it was more feasible to extend the existing line rather than go with new line from the new lift station.

Gravel bids for the year were then discussed. Nephew commented that Lindberg had gotten the bid the previous year. Council member Hasler then made a motion to accept the bid from Lindberg Enterprises. The motion was seconded by Council member Wise. On further discussion, Mayor Nephew inquired why the Lindberg bid was being accepted when the DR Logging Bid was lower. Council member Hasler stated that since they were so close in cost that it would be okay to go with Lindberg since Kevin was satisfied with his work last year. Administrator Frohrip explained that the usual procedure was to go with

the lowest bidder. Kevin Nephew then stated that the bid could be awarded to both Lindberg and DR Gravel and the work split between them.

After further discussion, Council member Hasler withdrew his previous motion and made a new motion to accept the bids from both Lindberg Enterprises and DR Gravel and have Kevin work with both. The motion was seconded by Council member Wise and was carried.

Council member Hasler then asked Kevin Nephew about the Bobcat that was hired for snow removal. Nephew explained that the alleys were getting too narrow and that hydrants needed clearing. He explained that the Bobcat is more versatile than the City's equipment and has better control on where you can blow the snow. This was followed by a discussion on whether the City equipment could be modified or fixed to get better control.

Libby Eid then reported on the volunteer activity at Agassiz Environmental Learning Center. During the month of February a total of 14 volunteers put in 41.5 hours. In March a total of 48.5 hours were worked by 16 volunteers.

This was followed by the Personnel Committee Report. Council member Hasler distributed hand outs for all of the Council and also for Administrator Frohrip, Deputy Administrator Liden and Public Works Superintendent Kevin Nephew. The hand outs consisted of evaluation forms for evaluating the City Administrator, forms for employees to evaluate their supervisor and also a questionnaire for employees to evaluate their position. Hasler explained that the forms were for review at this time and would be discussed at the May meeting. Council member Hasler then distributed another packet of information which contained job descriptions for the various City positions.

Mayor Nephew then moved ahead on the agenda to address the Peterson and Industrial Park Projects. Todd Hagen from Ehlers then introduced himself to the Council and gave some background information on the financing needs for the Tax Increment Finance districts. He explained that a bond could be issued to finance the establishment costs on the districts while waiting for the TIF revenues to start generating. The bond issue would also reimburse the \$100,000 plus for the preliminary costs that had already been incurred.

Hagen then went on to explain about the bond rating system for the bond issue. Since the projects were water and sewer related, the City could more or less "buy" the States AA+ bond rating. This would lower the interest rates on the bond considerably. He further explained that a 1.4% discount would be offered on the bond as an incentive for buyers.

Todd Hagen said that the decision that the Council needed to make at the meeting was to accept the financial outlook that had been presented on the TIF districts and pass the two resolutions relating to the potential bond sale. Administrator Frohrip then added that there could possibly be an office building going up on the corner of Highway 32 and County Road 21. Danny Strem had purchased that lot from Mike Peterson and planned to build an office building. Currently that lot wasn't in either TIF District but that since it was in designated Development Area it could be brought in on the project.

Administrator Frohrip then went on to explain where the funding could come from to make the bond interest payments prior to the TIF revenue being generated. For the past several years the City has been transferring \$42,200 a year to the EDA. Since the EDA was now more self-sufficient, those funds could go to making the bond interest payments.

Todd Hagen then explained that the bonds could be called in eight years if the City wished to pay them down early. He also informed the Council that if they approved the resolutions, they could stop the bond sale process at any time up to a week prior to May 13th. The amount of the bond could also be adjusted up until that date also.

Kevin Nephew then questioned what was included in the estimate that was given for the water and sewer lines in the Industrial Park. He stated that they still needed to do some leveling and road work. Nephew suggested getting the work done for 20 lots or so along the first street to get those lots ready for occupancy. Then the work could wait on the other lots until they were needed. Council member Hasler questioned borrowing the funds now if they aren't going to be used right now. Hagen explained that the City would have up to three years to use the bond funds.

Following further discussion, Council member Hasler made a motion to accept Resolution #4-1-13, Resolution Providing for the Sale of \$690,000 General Obligation Tax Increment Bonds, Series 2013A. Council member Wise seconded the motion and the motion was unanimously carried.

Council member Wise then made the motion to pass Resolution #4-2-13, Resolution Authorizing the City to Enter into a Credit Enhancement Program Agreement with the Minnesota Public Facilities Authority. The motion was seconded by Council member Hasler and was carried unanimously.

Upon review of the minutes of the March 11, 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. Council member Hasler had questions regarding the checks to Field Energy, the MN Department of Health and Hawkins. There were also questions on the Sheriff's telephone line item and the vehicle fuel and snow removal expense accounts. After explanations on those items Council member Wise then made a motion to approve the Treasurer's Report and Bills. The motion was seconded by Council member Hasler and was carried.

Charitable gaming for the Fire Department was the next agenda item that was addressed. After a brief discussion, Council member Hasler made the motion to approve charitable gaming permits for Erickson's Smokehouse, The Other Place and Oliver's Bar and Grill. The motion was seconded by Council member Wise and was carried.

Mayor Nephew then informed the Council that there had been an inquiry about the installation of a GPS antenna on the water tower and that City staff was working on solidifying the details for the next meeting.

Kevin Nephew then asked about getting the roof redone on the shop. Council member Wise explained that the Council had discussed the matter last fall and had decided to go with a steel roof. It was decided that Kevin Nephew should get some new bids on the roof and have them ready for approval at the May meeting.

There being no further business, the meeting was adjourned.

Brian Nephew, Mayor

Lisa J. Liden, City Administrator