

Fertile City Council Minutes December 11, 2017

The Fertile City Council held its regular meeting on Monday, December 11, 2017 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, Fair Meadow Business Manager Dani Nelson, Public Works Director Kevin Nephew, and Twylla Altepeter from the Fertile Journal. Other visitors were Brian King and Alex Ranz from Ulteig, Advisory Board member Michelle Cote, Luther Halstengard, Tammy Franklin, and Jacklynn Dahl.

The meeting was called to order by Mayor Wilkens and the agenda was approved on a motion by Council member Jensrud that was seconded by Council member Wang and was carried. There were no public comments.

The minutes of the November 13, 2017 regular meeting and the November 28, 2017 and December 6, 2017 special meetings were approved on a motion made by Council member Jensrud that was seconded by Council member Wang and was carried.

The Treasurer's Report and Bills were then briefly reviewed by Administrator Lisa Liden. Liden went over the deposits and checks for the month of November as well as the budget to actual reports and balance sheet. Council member Jensrud made a motion to approve the Treasurer's Report and Bills as presented. The motion was seconded by Council member Wang and was carried.

Public Works Director Kevin Nephew then gave his report to the Council. Nephew reported that they had been staying busy getting ready for snow and then removing snow. Luther Halstengard then inquired about the street light that was out on the corner of Bakken and S. Mill. Nephew explained that replacement poles had been ordered but that the wrong ones had come in so they had to be reordered. Nephew also explained that the light would probably be moved across highway 32 from its current location. Moving it would help light up the golf course parking lot in addition to lighting up the corner of Bakken and Mill. Since moving it across the highway would require boring under 32, it would have to wait until late spring or summer. Mayor Wilkens noted also that there was a Christmas light out on the north end of 32 and Nephew said that he was aware of it and that Downs would be looking into why it was not working.

The discussion then turned to the oak boards that were at Chad Olson's. Nephew stated that he had been in contact with Olson's family and that he would not be coming home anytime soon. Nephew would try to get in touch with Olson to get permission to get the oak boards hauled out and brought to another mill to be dried and then tongue and grooved. It would cost about \$1.50 per square foot to do this so it would cost a total of about \$1,000 to finish up the 800 square feet that we had. This was followed by a brief discussion on whether or not to finish and paint the ceiling in the warming house area while we wait for the oak boards. It was decided to not tape, mud, and paint at this time since it wouldn't matter if the ceiling was only partially finished during the wait for the oak to be put up. Nephew also noted that he had started to flood the rink at the old location since it gets a lot of use during Christmas break and the new building wouldn't be ready in time.

Mayor Wilkens then asked how all the equipment was working. Nephew commented that he had plowed for eight hours one day with no heat in the grader but that when they checked there was a pinched hose. They were able to replace that and the heat appeared to be working again.

Fair Meadow Administrator Angie Leiting then gave her report to Council. The month of November began with 42 residents and ended with 42, operating at 97% capacity for the month. They had also served 347 home delivered meals. Leiting also explained that the profit and loss for October and November showed losses due to \$152,000 in Medicare payments that are pending. The assisted living showed a profit of \$11,248 for the month of November.

The discussion then turned to Fair Meadow's contribution towards employee health insurance for next year. As was requested at the special meeting on December 6th, Leiting had prepared a proposal using a 24% contribution rate for single and 34% for family contribution rates that had been cited by Health Dimensions in their report. Mayor Wilkens explained that as Council had discussed at the last meeting, he would like to see all employees get the same amount towards their insurance. He stated further that health insurance premiums had gotten so expensive that many employers have switched to paying only for a single policy. This was followed by further discussion on the options that were available.

After further discussion, Council member Widrig made the motion for Fair Meadow to pay 100% for the \$640.27 single policy value plan plus an additional \$300 per month towards a family plan. The motion was seconded by Council member Jensrud and was carried.

The next item up for discussion was the proposed increase in rent for the assisted living. Leiting proposed raising the rent on a studio from \$782 per month to \$850. The rent on a one bedroom unit would increase from \$1,063 to \$1,140 and a two bedroom would increase from \$1,525 to \$1,600. Leiting assured Council that the new rental prices would still be competitive with other facilities in the area.

A motion was made by Council member Wise to approve the rental increases as presented. The motion was seconded by Council member Wang and was carried.

Discussion then turned to the set up for the new time clock that had been approved the previous month. Leiting reported that the Fair Meadow Guild had donated the \$1,500 set up fee. Mayor Wilkens then asked how long it would be until it was set up and Leiting replied that they were still waiting to hear from the company. This was followed by a discussion on the actual payroll processing and what the time frame would be for rolling over to bi-weekly paychecks. It was decided to wait until at least the start of the second quarter in 2018 to possibly switch over to bi-weekly to allow for getting the time clock set up and running.

A motion was then made by Council member Wang to have *all* employees set up on the clock for tracking time. The motion was seconded by Council member Jensrud and was carried.

Discussion then returned to the subject of payroll processing and what those total costs would be. The total data processing cost in the budget was \$18,252 and there was discussion on how much of that amount was for outsourcing payroll. Mayor Wilkens commented that if it would cost \$11,700 to have payroll processing done elsewhere then how Fair Meadow could justify the cost of a full time HR person. This was followed by discussion on possibly doing payroll in-house using software such as QuickBooks.

The next item up on the agenda for the Nursing Home was the wage increase of 2% across the board that Leiting had proposed at the December 6th meeting. Leiting's new proposal was to offer raises of 40 cents an hour across the board rather than a percentage increase. Mayor Wilkens commented that he agreed that the compensation for CNA's needed to be increased since their starting pay was lower than homes in the surrounding area. Leiting responded that you can't raise one area on the wage scale and not raise others since, for example, you can't have CNA's getting higher pay than LPN's.

Mayor Wilkens then commented that he couldn't justify raises for management when the home had been losing so much money for so long. Leiting's response was that if Council was unhappy with management "why don't you have Health Dimensions come in and run the home." Dani Nelson, Fair Meadow Office Manager also commented to Mayor Wilkens that his comment on management was unbelievable. This was followed by further discussion on wages and which employees were the most underpaid according to Health Dimensions.

Administrator Leiting then commented that morale at the nursing home was quite low and that it was "*all* Council's fault." Council member Jensrud then responded that Council had not been talking to the staff and patients at the nursing home meaning that the problems with morale was not coming from Council. It has to be coming from management and this needs to stop.

Nelson then asked why the City could not levy for nursing home operations. Michelle Cote, who is on the Advisory Board and also is Polk County Director of Property Records, then explained that MN Statute does not allow for a city to levy to provide financial support for the nursing home.

After further discussion on the wage increase for the nursing home, it was determined that the Fair Meadow Personnel Committee, composed of Council members Widrig and Wang, would meet with Leiting to review the current wage scale and come up with a recommendation for Council at a later date.

The City Engineers, Brian King and Alex Ranz, then gave their report to Council on the Preliminary Engineers Report on upgrades to the existing water and sewer systems. The preliminary plan had been submitted to the State and Fertile would be eligible for grant funding to cover about half of the project costs. The remaining half would have to be paid by the City through loan funding with either the MN Public Facilities or the USDA.

King also explained that there would be additional costs of \$5,000 to submit the plans to the State and survey and formal plans and specs costs of \$150,000 to finalize the plans and that those amounts would have to be paid by the City before any grant funding was available or funding sources finalized. The PER and the complete Plans and Specs would have to be submitted to the State by March 31st and then bid in April. The project would then be put on hold until the bonding bill passed at the State in either June or July. He explained further that the City can hold the bid until the project was funded and that the City was not committed to the project until the contract with the contractor is signed.

After further discussion on the water project and also the sewer lines that would be replaced, a motion was made by Council member Jensrud to proceed on the water system upgrades and sewer main replacements. The motion was seconded by Council member Wang and was carried.

Brian King then stated that he had spoken with MnDOT Aeronautics and the MN Environmental Board on the airport runway project and the necessity for an Environmental Assessment Worksheet (EAW). King had learned that an EAW is only necessary if the Responsible Governmental Unit requires it (RGU). Since the airport was located within City limits, Fertile would be the RGU, and it could be assumed that no EAW would be necessary. King did state, however, that he would recommend doing a wetland delineation on the north side of the runway. Mayor Wilkens and Kevin Nephew explained that there was no longer a wetland in that area, so delineation would also not be necessary.

The City Administrator's report was then reviewed. Mayor Wilkens inquired whether dogs running at large was still a problem and Administrator Liden explained that a letter had been sent to the owners of the dogs that were frequently running at large to explain the new fees that had been approved for catching,

kenneling and releasing animals. Liden felt the possibility of having to pay out of pocket when dogs have to be caught by the City would inspire owners to do a better job at keeping them on their own property.

Under the Agassiz Environmental Learning Center, Administrator Liden reported that a public meeting to get input on the master plan would be held and that the Annual Meeting would be taking place in January.

Under the Fire Department Council member Jensrud reported that the department had donated funds to Fair Meadow Nursing Home for I pads for resident use.

Under the Personnel Committee, it was reported that they still needed to meet and go over evaluations and possible Personnel Policy updates.

The next item on the agenda was the budget for 2018. There was some discussion on the percentage wage increase for the public works position that was filled in October and it was decided to give a 4% raise for that position since the new employee was working quite well in the position. Also discussed was the need to increase the appropriate budget categories for the \$155,000 in added expenses for the water and sewer projects that had just been approved. Liden also noted that she had increased the budget category for electric costs for the new park building as well as updated the revenue amounts for water and sewer to reflect the increase that had been approved the previous month.

The next item up for discussion was the approval of tobacco licenses for 2018. There were four establishments that currently held licenses and those four would also be applying for licenses in 2018. A motion was made by Council member Widrig to approve tobacco licenses for 2018 for Al & Laura's, Northside Express, JT's Station and The Other Place. The motion was seconded by Council member Wang and was carried.

Resolution #12-1-17, City Clerk's Certificate of Final Tax Levy setting the 2018 levy at \$202,000 was then approved on a motion by Council member Jensrud that was seconded by Council member Wang and was carried.

Discussion then returned to the budget for 2018 and the health insurance benefit that would be offered to City employees. Since Council had approved paying the full price for a single policy for nursing home employees plus an additional \$300 for a family policy, Kevin Nephew asked if they would be willing to offer the same thing to City employees. Administrator Liden explained that the quote the City had received for a single policy was \$571.50 and that the City had also agreed earlier to pay up to \$50 for dental insurance per month and \$16 for life insurance per month.

After further discussion on the matter, Council member Jensrud made the motion for the City to pay the \$571.50 premium cost for the single policy plus and additional \$300 for a family policy. The motion was seconded by Council member Wise and was carried.

Council member Jensrud then made the motion to approve the 2018 budget with the necessary changes for the water/sewer project as well as the increased benefit amount. The motion was seconded by Council member Wise and was carried.

There being no further business, the meeting was adjourned on a motion by Council member Jensrud.