

## **Fertile City Council Minutes October 8, 2018**

The Fertile City Council held its regular meeting on Monday, October 8, 2018 at 6:30 p.m. at the Community Center. Present were: Mayor Daniel Wilkens, and Council members Linda Widrig, Reid Jensrud, Stanton Wang and Todd Wise. Also present were City Administrator Lisa Liden, Fair Meadow Administrator Angie Leiting, and Twylla Altepeter from the Fertile Journal.

The meeting was called to order at 6:30 p.m. by Mayor Wilkens. Administrator Liden asked that two items, auto payments for water billing and flooring for the auditorium be added to the agenda. The agenda with additions was approved on a motion by Council member Wang that was seconded by Council member Jensrud and carried.

The only public comment was that the new sidewalk at the Community Center was very nice.

The minutes of the September 10<sup>th</sup> regular meeting and the September 18<sup>th</sup> special meeting were reviewed. Council member Jensrud asked for a change to paragraph four on page four. He asked that the word “of” be replaced by the word “by” in the second sentence regarding the date set for Kevin Nephew to get his personal belongings out of the City shops.

A motion was made by Council member Wise and seconded by Council member Wang to approve the September 10<sup>th</sup> minutes as amended and the September 18<sup>th</sup> minutes as presented. The motion was carried.

City Administrator Lisa Liden then gave a brief overview of the financial statements and also the out of the ordinary bills paid in September. At the request of Mayor Wilkens, 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. When closing entries are made at the end of the year, those amounts will be moved to the asset section of the balance sheet, so the second set of income figures excluded the fire truck purchase and park building expenses. Liden explained further that the second set income figures under the Water Fund P & L excluded the engineer costs for the water project since those would also be moved to the Water Fund Balance Sheet at year end.

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

Fair Meadow Administrator Angie Leiting then gave her report to Council. The home started and ended the month of September with 42 residents and operated at 91.85% capacity. They also provided 391 home delivered meals. Leiting then reported that the P & L for September showed a profit of \$55,665.36 for the nursing home and assisted living combined. The unaudited year ending profit and loss showed a total of \$110,279.86 combined with the nursing home showing a \$15,604 loss for the home and a \$125,884 for the assisted living. Leiting noted that the depreciation amount for the assisted living showed up on the nursing home side of the P & L and that she would be talking to the auditors about getting that switched over to the assisted living side of the report. For the report listing September’s checks, Leiting noted that the check for AFLAC was new this month and that the coverage didn’t cost the nursing home anything since the coverage was available through payroll deduction.

Next Leiting gave an overview of the report she had prepared for Council detailing all of the changes that had been made since the assessment and how much money each change had saved the nursing home. She noted also that many of the changes had been made months ago but that some were more recent so the total savings was still an estimate. The changes included staffing changes and reductions in eleven areas that resulted in

\$133,275 in savings for the year. Other changes including vendors, nursing supplies, a reduction in monthly van rides and health insurance resulted in a savings of \$76,944 per year. Finally two changes in the revenue categories resulting from an increase in the charge for staff meals and an increase in restorative care nursing resulted in a revenue increase of \$27,147 annually. The effect of all of the changes together amounted to \$237,365 in increased profits for the year. Leiting ended by noting that some of the recent policy changes in regard to call-in and sick pay would result in additional savings that were not yet known so they weren't included.

The final item to be addressed as part of the Fair Meadow report was the budget for 2018/2019. Leiting began by explaining that the budget was developed over the course of many meetings with the Finance Committee and that it had received committee approval. She noted also that the budget was now in QuickBooks so that the format of the report was more similar to the monthly reports that Council was used to seeing. Leiting then gave an overview of the budget noting that the nursing care and rehabilitation expense amounts were highly dependent on case mix so she had estimated high on those amounts.

After discussion of the budget, a motion was made by Council member Widrig to approve the Fair Meadow budget for 2018/2019 as presented. The motion was seconded by Council member Jensrud and was carried.

There was no public works report since Kevin Nephew was absent.

The next item up on the agenda was the City Administrator report. After a brief review of the written report Mayor Wilkens asked about the letters that had gone out to residents regarding dead trees and how long residents had to remove the trees. Liden explained that according to Code, they were given 60 days which would make the removal deadline mid-November. Council member Jensrud then inquired whether or not outstanding building keys had been returned yet. The park building key had been returned, but the key for the Nature Center shop had not been despite Liden contacting the party three times.

Under the Learning Center, the Education Director had submitted a written report for Council to review. Mayor Wilkens then brought up the matter of two washouts on access roads that needed to be addressed. The hill on the perimeter trail by hole four on the golf course had been problematic for years as was the access road located off of Old Mill Road that went out to the pond area. Mayor Wilkens stated that he would like to haul in some good hard clay to fill those areas in. For the access road off of Old Mill, since the road was so steep, he would like to see the top of the road built up to direct the water off to the side of the road. Mayor Wilkens ended by asking for authorization to get those two areas fixed as soon as possible.

A motion was then made by Council member Wise to authorize Mayor Wilkens and Administrator Liden to make appropriate arrangements to get the two washout areas fixed. The motion was seconded by Council member Jensrud and was carried.

Council member Wang then gave the Fire Department report. He reported that the department had responded to just one call in September for a house fire. Wang also reported that department members would be taking a radio refresher course and that they were also working on slowly updating all of their fire gear since many items were now outdated. He ended by reporting that the department had made a \$5,000 donation to the City for the new dasher boards for the ice rink.

This was followed by a brief discussion on the dasher boards and Council member Jensrud reported that a grant had been applied for through the Fertile-Beltrami Community Fund. Also briefly discussed was the possibility of seeking sponsors for the rink and those sponsors would then have a sign put up on the outside of the rink facing Second Street.

Under the airport, Mayor Wilkens inquired about the progress with the airport zoning. Administrator Liden explained that the invitation letters had been sent to Liberty and Garfield Townships as well as Polk County.

Liberty Township had returned their Resolution naming two individuals to the Joint Airport Zoning Board (JAZB) and Garfield Township would be addressing the matter at their meeting that evening. Liden reported also that she had been contacted by Jacob Snyder from Polk County Zoning by email regarding questions he had on the JAZB but that she hadn't heard when the County Commissioners would be formally addressing the matter. Mayor Wilkens asked Liden to contact the County to see what the delay is in getting the JAZB resolution back.

There was nothing to report under Personnel. The Personnel Committee would be meeting in the next month or so to go over evaluations.

The next item up on the agenda was liquor licenses for 2019. Administrator Liden explained that all of the licenses were the same as the ones currently held by the establishments in town. Council member Jensrud asked if the City issued the catering license that was required when alcohol was served as part of an event that establishments served off their own premises. Liden explained that the catering license was handled by the State and that if an establishment held a catering license and liquor license that they could serve alcohol with the food when they cater an event.

A motion was then made by Council member Widrig to approve liquor licenses for Erickson's Smokehouse, Fertile Wine and Spirits, Side Street Bar and Grill, and The Other Place. The motion was seconded by Council member Wang and was carried.

The loan term for the loan from MN Public Facilities Authority for the water project was the next item up on the agenda. Administrator Liden pointed out that a 20 year loan term would save almost \$100,000 in interest cost when compared to the 30 year loan. Discussion was held on how much water rates would have to be increased to pay for the loan and also how to structure the rate increase. Administrator Liden suggested adding a line item flat rate for Capital Improvements rather than increasing the base amount that is charged for water.

After further discussion of the matter, Council member Jensrud made a motion to go with a 20 year loan for the water project. The motion was seconded by Council member Wang and was carried.

The next item on the agenda was lease/riparian rights for Christian Farms. Mayor Wilkens explained that Christian Farms has to have a certain amount of land along the river to pump for irrigation. Liden explained that Stuart Christian would be bringing by a lease for some of the City property that's located along the river so that on paper Christian would have the required acreage for the pumping permit.

A motion was made by Council member Wise to authorize the Mayor and City Administrator to approve the lease when it is presented. The motion was seconded by Council member Jensrud and was carried.

The bid opening for the concrete footings for the skating rink dasher boards was the next item on the agenda. The discussion began with Mayor Wilkens opening the two bids that had been received. One bid was from Andrew Broden for \$15,000 and that bid specified that the City would be responsible for the class 5 fill, any pump or conveyor necessary for the job, and also any cost to accelerate the concrete. The second bid from Willard Swenby Construction was for \$16,387 and was all inclusive with no potential added costs to the City.

This was followed by a discussion on completion dates, whether the west end of the current concrete slabs would need to be removed, and site elevations in regard to the level of the ice as compared to the elevation of the building.

After a brief discussion of the matter, a motion was made by Council member Jensrud to accept the bid from Willard Swenby since there would be no added, unknown costs for the project. The motion was seconded by Council member Wise and was carried.

The next item up on the agenda was a title issue on three properties on the east side of town. Administrator Liden explained that she had been contacted by the City Attorney Stephen Larson regarding a title issue with three properties and that the owner, Ben Sather, wanted the City to pass a resolution agreeing to sell the City's rights to those properties. Liden explained further, however, that an additional issue had come to the City's attention in regard to those properties and that she was waiting to discuss the matter further with the City Attorney. Mayor Wilkens explained that according to City Code when properties are divided into smaller parcels that a subdivision plan needs to be in place to allow for streets, alleys and utilities on the new parcels. The sale of the parcels on the east end would fall under the City's Subdivision regulations, so that matter needed to be addressed before any title issues were dealt with. A motion was made by Council member Wise for Administrator Liden to work with the City Attorney to get a letter drafted to Sather regarding the need to have a formal subdivision plan drawn up and approved by Council before any parcels are sold. The motion was seconded by Council member Wang and was carried.

Setting up auto payments for water bills was the next item addressed. Administrator Liden explained that several customers had requested that the City set their water account up for automatic payments. Terry Baumgartner, Billing Clerk, had developed an authorization form that customers could fill out with credit or debit card account information and then once a month those accounts could be manually paid on behalf of the customer. Mayor Wilkens and Council member Jensrud expressed concern about having credit and debit card information in the office and that it didn't seem very secure. Council member Wang explained that he processes auto payments for Christian Brothers Ford since there were several customers that didn't want to have to take care of their account every month. Council member Jensrud asked why customers couldn't set up auto pay with their bank and also asked how many customers would like to use autopay. Liden explained that not all customers have a checking account but use prepaid debit cards. As for the number of customers who would likely utilize the service, Liden felt it was probably around 20 to 25 customers.

No motion was made to approve setting up auto payments.

Replacing the auditorium flooring was the next item up on the agenda. Liden explained that she had received one quote on putting in an epoxy floor since Council had requested getting a quote on that. The quote from SwedeBro for the flooring itself was for \$13,520 plus an additional \$14,250 to remove the old flooring and glue. To add more color to the epoxy to make it a "decorative mosaic" would cost an additional \$6,215.

Liden had also received a quote from Vern's Carpet to put in vinyl plank flooring. Vern had left a sample of the flooring and Liden explained that this flooring resembled wood but would be glued to the floor so there would be no future problems with tiles popping up due to changes in humidity. She noted also that Vern's quote of \$8,983 included a high estimate of \$2,000 for removal of the current flooring.

After discussion of the matter, a motion was made by Council member Wise to accept the quote from Vern's Carpet for the auditorium flooring. The motion was seconded by Council member Wang and was carried.

Mayor Wilkens then began a brief review of the 2017 Priorities List that Council had developed and had been working on since January of 2017. The items listed under the first category of "Nursing Home" had been mostly completed. Under law enforcement Mayor Wilkens stated that those options had been explored and that it had been determined to be cost prohibitive to have our own officer. Council members Jensrud and Wang then asked what the discussion had been between Mayor Wilkens, the school and the Sheriff's Office regarding a school resource officer. Wilkens explained that when he had met with Deputy Sondrol that he had said that the City wasn't interested in helping to pay for a school resource officer. Council member Jensrud then stated that it should have been discussed with the entire Council before a decision was made. Council member Wang said that what he understood was that the school would pay for the officer for nine months out of the year and that the City would pay for the summer months and the officer would be on duty in the City.

Council member Jensrud then asked Administrator Liden to check with Superintendent Clarke to get more information on whether the school was still pursuing having a resource officer.

The review of the priority list continued through the end of the list with many of the items having been addressed already. A brief discussion was held on the status of the JR Dale building and when discussing the new RV dump station Mayor Wilkens asked Administrator Liden to check with MnDOT regarding putting up a larger sign directing people to the dump station. The review of the priority list ended with Mayor Wilkens commenting that the list was a good idea and that Council should work on a new list for 2019.

Council member Jensrud then made a motion to close the meeting to discuss a personnel matter. The motion was seconded by Council member Wang and was carried. The Public Meeting was then closed.

After concluding the discussion of the personnel matter, the meeting was adjourned at 10:48 on a motion by Council member Widrig.

DRAFT