

## **Fertile City Council Minutes September 13, 2021**

The Fertile City Council held its regular meeting on Monday, September 13, 2021 at 6:30 p.m. at the Community Center. Present were Mayor Daniel Wilkens, and Council members Stanton Wang and Matthew Massmann. Also present were City Administrator Lisa Liden, Public Works Director Kevin Nephew, City Engineer Alex Ranz, and Twylla Altepeter from the Fertile Journal.

The meeting was called to order by Mayor Wilkens at 6:30 p.m. and began with those present reciting the Pledge of Allegiance.

The agenda was approved as presented on a motion by Council member Massmann that was seconded by Council member Wang and was carried.

There were no public comments.

The minutes of the August 9, 2021 regular meeting and the August 19, August 24, and August 26, 2021 special meetings were approved with a spelling correction to the August 26, 2021 minutes on a motion by Council member Massmann, that was seconded by Council member Wang and was carried.

City Administrator Lisa Liden gave the Treasurer's Report. Liden went over the out of the ordinary deposits and checks for the month of August. Liden noted the checks written to JC & J Trucking for gravel, Key Contracting for the storm sewer and street repair on North Mill Street, and the check to Minnesota Public Facilities for payments made on water fund debt. Liden noted also the \$20,000 that was received from the Fire Department for equipment and noted that a corresponding check would be written for those funds to be deposited into a special account at the bank that the department was opening to save for a new fire truck.

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

Under the airport, the monthly progress report was briefly reviewed and Mayor Wilkens noted that the apron and taxiway project was nearly complete. Pay application #1 for the apron and taxiway project was presented for payment in the amount of \$214,809.25.

A motion was made by Council member Wang and seconded by Council member Massmann to make payment on application #1. The motion was carried.

Administrator Liden explained the change order that was included in the Council packets. Agassiz Asphalt had spoken with Short Elliott Hendrickson's (SEH) onsite construction administration and reported that the actual construction quantities were coming in lower than the quantities that were bid. As a result, there would be enough quantities remaining to do a mill and overlay of the southern portion of the taxiway that was not included in the current taxiway reconstruction project. SEH had contacted Matthew Lebens with MnDOT Aeronautics about getting that portion of the taxiway paved under the current project and MnDOT had agreed that it could be included. The submitted change order was reflective of the anticipated costs of the mill and overlay. Agassiz and SEH would like the preliminary change order approved to finish that work while they were onsite. The final change order would be submitted once the actual costs were known.

After a brief discussion of the matter, a motion was made by Council member Massmann to approve change order #1 as submitted. The motion was seconded by Council member Wang and was carried.

Alex Ranz, City Engineer, gave his report to Council. The first matter addressed was pay application #13 of the 2019 water and sewer project. The final amount due was \$50,054.85 after the \$7,000 had been deducted for the sidewalk on the south side of Jefferson Ave. SW alongside the school. Once the pay application was approved and payment was made, Ranz explained that the project would be closed out with Minnesota Public Facilities. Public

Works Supervisor, Kevin Nephew, asked about the warranty on the project and when that would expire. He was concerned about a potential sewer issue on Jefferson Ave. SE and he wanted to make sure that it was covered under warranty if it was due to the work that was done in 2019. Alex Ranz explained that the warranty would run for one year from the date of final payment approval.

After discussion of the matter, a motion was made by Council member Massmann to approve pay application #13. The motion was seconded by Council member Wang and was carried.

Mayor Wilkens asked Kevin Nephew about the sewer issue at Christians on the corner of Garfield and Second Street. Nephew reported that part of the line to the house had been replaced a few years ago and that there was an issue with where the coupling had been placed and that sewage items had possibly been catching on the coupling and building up in that location. The coupling was replaced and that would hopefully resolve the issue.

Alex Ranz continued his report with an update on the potential water projects that had been discussed previously. In August he had reported that based on preliminary numbers, the City would be ineligible for grant funding since the median household income had improved beyond the State's threshold for 2020. Ranz had recently learned, however, that the State would be changing the median income guidelines so that the lowest median income level from the past five years could be used to determine grants and eligibility. With the new guidelines in place, Fertile would be potentially eligible for grants that could cover as much as 80% of project costs.

Ranz went on to note that there would be lots of funding coming through the state for water projects and that projects of one million dollars or more would be eligible. The increased funding would be available for the next five years. The first step in the process would be to submit a project overview to the Intended Use Plan (IUP) list.

Mayor Wilkens then asked about the impacts on the entire water system for any new projects. Ranz said that looping at Albert Avenue and TDS, plus work on Lincoln Ave. West would have an impact on the system as a whole and would cost about \$1.7 million. Ranz explained further that the City has until May to get on the IUP list and that there was no cost involved in submitting a project to the list.

Council member Massmann asked whether the City could afford a project of that size without drastically increasing water rates again. Administrator Liden replied that she would have to run some numbers after year end to see how the new rate system was supporting the new debt that the City had taken on in 2019 and 2020. Mayor Wilkens said that Council could look at those numbers in early 2022 to see how the income and debt payments total out to see if there was room for further projects.

Fair Meadow Nursing Home Administrator Angie Leiting was unable to attend the meeting so City Administrator Liden reviewed the nursing home reports for Council. Fair Meadow started and ended the month of August with 39 residents and operated at 89.17% of capacity. They had also served 105 home delivered meals. Liden noted that Angie Leiting had moved her office to the nursing home on September 8<sup>th</sup> and that Fair Meadow was currently signed up with three temp staffing agencies. There had been no payroll issues during the month of August and the \$2 per hour bonus had been added on for non-productive and productive hours. There was some discussion on what the difference was between productive and non-productive hours. Finally, it was noted that training was ongoing with the new payroll system with a goal date of October 1<sup>st</sup> to have it put in place.

For the month of August, the combined Profit and Loss showed an income of nearly \$13,000 with the nursing home showing income of \$6,800 and the assisted living an income of \$6,150. For the year-to-date Profit and Loss, the combined income was almost \$525,000 with the nursing home showing an income of \$569,000 and the assisted living showing a loss of over \$44,000. The budget to actual report was also reviewed and it was noted that income was at 101% of the budget which was higher than the target number of 91.66%. Nursing care costs were lower than the target number as were total nursing home and assisted living expenses.

Kevin Nephew, Public Works Supervisor, was next to give his report to Council. Nephew began by asking about the agenda item regarding the access road to the sewer ponds. Nephew had reviewed the information and wanted to discuss the matter while Alex Ranz was present. Nephew commented that the City attorney had said that gaining

legal easements to the access road would be the easiest and he was wondering if that was what the City would be pursuing. Discussion was held on what the easement would need to be and who the affected property owners were. Discussion was also held on the easement being not only for the City but also for access to the Cynthia Hibbard property that adjoined the city property by the sewer ponds. Alex Ranz stated that he thought the matter had been settled two years earlier when they had agreed to an easement. Administrator Liden corrected Ranz and said that they had not agreed to a legal easement but had only given the okay for permission to access as needed which was entirely different than full legal access as needed. Discussion was also held on how and where the road would be gated off and who would have keys to the gate.

After discussion of the matter, a motion was made by Council member Massmann for Mayor Wilkens to contact the City Attorney to draw up a 66' foot easement for the sewer pond access road. The motion was seconded by Council member Wang and was carried.

For the Fire Department Council member Wang reported that during the month of August the fire department had responded to a mutual aid call, a false alarm, a grass and structure fire and a grass fire.

For the Learning Center it was reported that a meeting would be held on September 23<sup>rd</sup>.

For the Personnel Committee it was reported that a meeting would be held later to review the wage scale prepared by Baker Tilly based on their wage and market study.

Under old business, discussion was held on the replacement of the dasher boards at the skating rink. In August Council had approved replacing all the boards with fiberglass boards pending positive reports from other outdoor rinks on their durability in extreme temperatures. Administrator Liden reported that there were only three cities in northern Minnesota that they had been able to contact about their experience with the boards, and none of them had the boards in for longer than a year or two so they couldn't really report on their durability. Also, after comparing the cost information for plywood replacement rather than fiberglass, Administrator Liden felt that the plywood would save the City almost \$17,000 that could be put to better use elsewhere, especially in light of the building repairs that were needed for the community center.

A motion was made by Council member Massmann to rescind the August motion to buy the fiberglass dasher boards and to instead buy treated plywood for replacing them. The motion was seconded by Council member Wang and was carried.

The first item under new business was water assistance for the City of Erskine. Administrator Liden reported that Kevin Nephew had been contacted by the City of Erskine to see if he would be available to help them while they are without a licensed water operator. Their previous licensed water operator had accepted a new position elsewhere so they would need the services of a licensed operator to come in weekly and do the necessary testing and reporting. Kevin Nephew assumed it would be up to four hours per week that he would have to be off work for Fertile to do the work for Erskine. After meeting the new employee at Erskine, however, Nephew was hoping it would be less than four hours a week since the new employee was competent and a fast learner. Nephew noted that it would be three years for the new staff person to be licensed. Council member Massmann asked Nephew if he would be using PTO for his time off in Erskine and Nephew said that he would. Administrator Liden clarified that Council would need to approve of Nephew doing that work since it could be construed as a conflict of interest working for another City during Fertile's work hours.

After discussion of the matter, a motion was made by Council member Massmann that there was no conflict of interest with Kevin Nephew working with the City of Erskine as long as he got his work for Fertile completed and used PTO hours for his time away. The motion was seconded by Council member Wang and was carried.

The next item up for discussion was the dirt piles in the yard waste site. Many loads of clay and compost had been taken over the weekend for a house addition that was being built outside of City limits. Council wanted clarification on who could take the dirt and compost and whether there were limits on how much could be taken. Administrator Liden stated that the dirt and compost were available in small amounts to residents and that both she

and Kevin Nephew had been contacted on a couple of occasions by residents who needed larger amounts. For the larger amounts, they had determined that residents could pay \$10 per yard. Kevin Nephew said that he would contact the contractor who had hauled the dirt over the weekend and let him know that the dirt would need to be paid for. Discussion was held on signage for the yard waste site explaining that the dirt was for City residents only.

The City Administrator Report was the next item up on the agenda. Administrator Liden reported that many hours in August were dedicated to the three special meetings and two committee meetings that were held during the month. She also reported on the vandalism at the skating rink and that the cost to replace the broken dasher board glass would be around \$1,000 with the bulk of the cost being for shipping and handling.

Under new business, the matter of health insurance for 2022 was discussed. Administrator Liden reported that there had only been a minimal cost increase in the health policies that the city provides to staff. She noted, however, that the rates for the dental plan were not yet available. After reviewing the rate comparison between 2021 and 2022 and the two plans that are offered to employees, a motion was made by Council member Massmann to approve the plans for 2022. The motion was seconded by Council member Wang and was carried.

The final items up for approval were the budget and levy for 2022. Administrator Liden reported that the budget that was presented was preliminary and that there could be changes made prior to final approval in December. She noted that the Personnel Committee had not yet met to review the new wage scale so the numbers in the preliminary budget represented the total cost if all staff were to receive pay according to their years of service.

Discussion was held on the levy amount for 2022. It was noted that the 2021 levy was \$221,000 and the preliminary budget included an approximate 2.5% increase to \$227,000. A slightly higher increase was then discussed to accommodate some of the work that was needed at the community center with the siding and cooling system.

After discussion of the matter, a motion was made by Council member Massmann to approve the 2022 preliminary budget and Resolution #9-1-21 setting the 2022 levy at \$229,000 which represented a 3.62% increase over 2021. The motion was seconded by Council member Wang and was carried.

There being no further business, the meeting was adjourned at 8:29 p.m. on a motion by Council member Massmann.

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Daniel Wilkens, Mayor

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Lisa J. Liden, City Administrator