**CITY OF VERNDALE**

**WADENA COUNTY, MINNESOTA**

**REGULAR COUNCIL MEETING MINUTES**

**Monday January 8, 2018**

**6:00 p.m.**

**Verndale City Hall**

**101 Brown St. SW**

**MEMBERS PRESENT:** Raye Ludovissie, James Ackerson, Tara Erckenbrack, Jim Runyan, Ardith Carr

**MEMBERS ABSENT:** None

**STAFF PRESENT:** Barbara Holmes, City Clerk/Treasurer; Gary Rosenthal, Liquor Store Manager; Michael Madsen, Fire Chief; Matt Uselman, Public Works Manager

**STAFF ABSENT**: Cory Carr, Police Chief

**VISITORS PRESENT:** Marlo Benning, Verndale Sun; Joeb Oyster, Moore Engineering; Robin Fish, Immanuel Lutheran Church (Bartlett Township), Amos Self

**OPENING PRAYER:** The opening prayer was led by Robin Fish, Immanuel Lutheran Church (Bartlett Township).

**CONSIDERATION OF MINUTES AND JANUARY PAYABLES**

A motion was made by Erckenbrack to approve the December 4th, 2017 Regular Council Meeting Minutes as written, seconded by Ackerson. AIF/MC

A motion was made by Carr to approve the December 14th, 2017 Special Meeting Minutes as written, seconded by Erckenbrack. AIF/MC

A motion was made by Ackerson to approve both of the December 4th, 2017 Public Hearing minutes as written, seconded by Runyan. AIF/MC

A motion was made by Erckenbrack to approve the January payables in the amount of $60,773.89 seconded by Carr. AIF/MC

**ACKNOWLEDGE VISITORS**

**Joeb Oyster - Moore Engineering:** Oyster stated that the result of the affordability formula PFA uses shows the City meeting the grant eligibility of 80/20 grant/loan at $100,000 loan, and the total project funding with a treatment plant and the water tower is approximately an $800,000

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loan and $3,100,000 grant. Oyster stated that currently the city water rates are about $32 per month per ERU, with a new loan the rates would raise to $53.88 per month per ERU. Oyster stated the increase includes softening at the plant so there would be no need to operate household softeners, which costs about $12 per month. Oyster stated that this brings the realized rate to $42 per month per ERU. Oyster stated that he thought the O&M costs he has in there are a little bit high so there could be some savings there as well. Carr asked Oyster if he’s saying that the new plant would eliminate the household water softener. Oyster stated yes. Carr asked if the water would taste like salt. Oyster stated no, it’s not the same process as the home softeners. Ludovissie stated that it may sound like a lot but it’s the quality the City is getting back. Carr asked about the $800,000 being assessed. Oyster stated that it wouldn’t be assessed it is all made up in user fees. Runyan and Erckenbrack expressed concerns for people on fixed incomes having their bills being double what they are used to. Self asked if this was only for softening or if this helps with the shallow well issues and removing nitrates. Oyster stated it is all of the above. There was discussion about the water tower and the costs of having it sandblasted. Holmes stated that if the City gets the small cities grant it would be for $600,000 which would cover most of the cost of a new water tower. Oyster stated that the City qualifies for an extended term criteria, which most PFA loans are 20-year loans, so the City would qualify for a 30-year term. Holmes asked Oyster if this would save the City anything or if the City would just be paying more interest. Oyster stated the City would pay more in interest, but PFA would show the City both options. Ludovissie stated it is never good to go longer. Oyster stated that the City’s affordability per month went down from $44 per ERU per month to $41.25 per ERU per month. Oyster stated that Verndale is on the competitive list for grant applications for small cities. Oyster stated that there are never any guarantees with funding but this is the best they can give the City right now. Oyster stated that the City can count on the state passed bonding bill, Verndale is number 2 on the list, and number 1 for new projects. Oyster stated that as far as timing goes to get it all done this year; the deadlines are: plans and specifications need to be submitted by the end of February, first week in March so the City needs to start right now. Oyster stated that a pilot study needs to be completed and it has to run for 3 months, so if it starts March 1st it wouldn’t get done until May 1st and then a report needs to be compiled and get it back to Department of Health for them to approve and certify it by June 30th for the funding to kick in. Oyster stated that he has received quotes for the pilot study, but they don’t have electrical costs or the tapping of the pipe inside the pump house included. Oyster stated that the quotes are around $55,000. Oyster stated that Wigen came in lower and they can turn it around in that amount of time. Oyster stated that Tonka was a little higher and they thought it would be a tight time frame for them. Holmes asked Oyster if he has worked with Wigen before. Oyster stated yep, they are both in Minnesota. Ackerson asked if they follow through with what they say. Oyster stated yep. Runyan asked about the pilot study running from March 1st to May 1st. Oyster stated it would have to run to June 1st. Runyan stated that Oyster had misstated that. Carr asked about paying for the pilot study. Oyster stated that it would have to be paid for up front but it would be reimbursable. Oyster stated if the City want to move forward with everything, he

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would request the council to give authority to the water/sewer committee to approve the pilot study up to $60,000.

A motion was made by Carr to give the water and sewer committee authority to spend up to $60,000 for the pilot study, seconded by Erckenbrack. AIF/MC

Oyster stated that the City still needs to apply to the PPL and IUP for the tower project. Oyster stated that the way the timing would work is the City would get the treatment plant certified by June 30th and then wait. Oyster stated that the new IUP comes out in September and then the City would know more on the funding and that would tell the City if the tower is fundable and then the City can lump them as one project. Holmes asked Oyster if this was instead of going with the USDA. Oyster stated yep. Oyster requested approval to apply to the PPL and IUP.

A motion was made by Erckenbrack to approve Oyster to apply to the PPL and IUP for the tower project, seconded by Ackerson. AIF/MC

Oyster stated that Environmental Process needs to completed on sites so the City has to figure out what the sites are. Ludovissie stated that the City is looking at a site close to the well and the City will look at it a little closer, he just got an email about it today. Oyster stated that the tower site is flexible, anytime it’s in town is better. Holmes asked how much of a crunch the City is on for the Environmental. Oyster stated he would have to go through timeline on that. Oyster left the council Task Order 2 to review. Self asked if the tower moves location will that affect how much pressure there is. Oyster stated it shouldn’t because the tower will be raised a little bit.

**DEPARTMENT REPORTS:**

**LIQUOR STORE- GARY ROSENTHAL-MANAGER**- Rosenthal stated that there was a net profit of $3,884 for 2017, which is comparable to last year’s numbers. Rosenthal stated there was a net loss of $2,789 for the month of December. Rosenthal stated that sales were down from 2016, however both Christmas Eve and New Years Eve fell on a Sunday. Rosenthal stated that the Liquor Store had an audit done and the counts were 100% accurate. Holmes stated that the auditor told her the cash was off. Rosenthal stated that it was on the till and part of the problem was with gift certificates. Rosenthal stated he would provide all the year-end numbers at the next council meeting. Rosenthal stated that the liquor store will continue to have poker on Tuesday nights and pool league on Wednesday nights. Rosenthal stated there are no events scheduled for the month of January. Rosenthal stated he would like to be open and sell on-sale liquor for the Super Bowl if the Vikings play. Rosenthal referenced previous emails from Paul from MMBA regarding Sunday liquor sales. Holmes stated she thought the City would just need to make a Resolution for the Liquor Store to be open that Sunday but she would need to talk to the MN state alcohol and gambling people to double check. Carr asked if the Super Bowl was February 4th. Rosenthal stated yes and the next council meeting isn’t until the 5th. Ludovissie

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asked if the council could give authority to the liquor committee to pass the Resolution. Holmes stated as long as the council agrees, yes.

A motion was made by Ackerson to give the Liquor Committee authority to approve a Resolution for On Sale Sunday Liquor Sales for Sunday February 4th once Barbara Holmes checks with MN State Alcohol and Gambling and they say it is ok to do so, seconded by Runyan. AIF/MC.

Councilmember Carr left the meeting.

**FIRE DEPARTMENT- MICHAEL MADSEN- FIRE CHIEF-** Madsen stated that for the year there were: 2 CO2 calls, 10 car accidents, 4 mutual aid to Wadena that were cancelled, 3 grass fires, 2 mutual aid to Sebeka for structure fires, 3 mutual aid to Wadena for structure fires, 3 mutual aid to Staples for structure fires, 1 car fire, 1 water issue in Verndale, and 1 gas line incident at the Verndale school. Madsen stated that for the year there was a total of 99 calls, 66 were medical and 33 were fire. Madsen stated that total call hours were 117. Madsen stated that calls were up but hours were down. Madsen stated he needed approval for his officers, he’s not making any changes.

A motion was made by Erckenbrack to approve the Fire Department Officers as follows: Fire Chief- Mike Madsen, First Assistant Chief- Chuck Goddard, First Captain/Training Officer- Steve Schmitz, Second Captain/Training Officer- Ryan Sundby, Safety Officer- Eric Anderson, Second Lieutenant- Nate Witthuhn, Secretary- Ryan Schmitz, Medical Director- Dr. John Pate, seconded by Runyan. AIF/MC

Madsen stated that he needs the lease purchase for the rescue van needs to be finalized.

A motion was made by Runyan to move forward with the lease purchase of the rescue van, seconded by Ackerson. AIF/MC

Madsen stated that the Fire Departments rescue ropes are expired and he’s been looking at prices. Madsen stated he hopes to not spend more than $1500 on them, he needs approval. Holmes asked if they applied through Todd-Wadena. Madsen stated they are using that for the grain bin rescue tube.

A motion was made by Ackerson to approve the Fire Department to spend up to $1500 for the purchase of rescue ropes, seconded by Erckenbrack. AIF/MC

**POLICE DEPARTMENT- CORY CARR- POLICE CHIEF-** Ludovissie stated that Chief Carr was absent. Holmes stated that Chief Carr had submitted his report for the year for them to review.

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**PUBLIC WORKS- MATT USELMAN-MANAGER-** There was discussion about any freezing pipes and the running water credit and how it works. Uselman stated he has been in contact with the BNSF about the City becoming full owners of McNair Park. Uselman stated that the property management company in Minnesota sent an application to purchase land that needs to be filled out if the City wants to purchase the Park. Uselman stated that that is a good spot for a water tower, it could be where well number 1 is. Uselman stated his question is does the City want to purchase the park and there is an offer price that has to be filled in, what should the offer price be. Erckenbrack stated $50. Uselman stated that he sends the application back to the property management company and they send it to Burlington Northern. Erckenbrack asked how much of the park they own. Uselman stated all of it. Uselman stated that in the lease the City has with BNSF if they decide to terminate the lease the City has to remove everything in the park at the City’s expense. Erckenbrack asked if the City has many choices for water tower placement. Holmes stated that the City could go to the County and see about them giving the City the property in the alley by Brownlow’s. Uselman stated he doesn’t like having the water tower in the middle of residential houses. There was discussion about offer prices. Ludovissie asked if BNSF would counter offer. Uselman stated that he understood that they would either approve or decline. Uselman stated that BNSF does a lot of grants with cities that their rails run through. Holmes stated that maybe the City should ask them to grant the City the park instead of offering them anything.

A motion was made by Ackerson to offer BNSF $100 for the purchase of the Park, seconded by Runyan. AIF/MC

Ludovissie asked about the property on Clark Drive. Uselman stated that Chief Carr is supposed to let him know when he wants to clean it up. Ludovissie stated that complaints from residents in that area have been made, so if he could move on that, it would be greatly appreciated. Uselman stated that he will have all the septic systems in town inspected this year, it’s been 5 years. The council voted on the 4th grade water week posters and picked the top 3.

**CLERK/TREASURER- BARBARA HOLMES-** Holmes stated that the sewer project is officially closed out now, the City has been billed for everything that the City can be billed for. Holmes stated that the City submitted the de-obligation of the balance of the grant funds so it is completely done. Holmes stated that Elena Sharma requested that the City provide formal documentation for the City’s demand for water and sewer at 19 1st Ave SW. Ludovissie stated that the council will not proceed until the next meeting when that letter gets distributed and everybody looks at it. Ludovissie stated that everybody should have a chance to look at it and the council just got the letter tonight before the meeting and that’s not enough time. Holmes asked if it was tabled as to whether she could do a letter or anything else at this point, correct. Ludovissie stated yep, it’s still a court issue. Runyan asked if Sharma could come back and say she didn’t get a letter from the City, so she didn’t do nothing. Holmes stated that it is included in the original Resolution, it doesn’t officially say the bathroom or connecting to water and sewer,

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but it basically buys her another month, because the council has tabled it and that’s where it’s at until the council acts on it. Ludovissie stated that the council has to wait until the letter goes out, then everybody can read it and get an idea of what it is and then in February the council can come back with an idea of how they want to proceed. Holmes stated ok. Ludovissie asked Holmes if she has heard from Kendra Olsen, from the Pemberton office regarding the Sharma property. Holmes stated yea, but not until today, actually it was Friday when she was off, but she did talk to her today so the Council will move forward with that letter at the next meeting. Holmes stated that with the claims the council approved payments to Northland Trust, MN PFA, and USDA was automatically taken out of the City’s account for January. Holmes stated she would like to make the transfer of $8,670.02 from the Water Money Market Account and $36,533.85 from the Sewer Money Market Account to the General Checking Account to cover these loan payments.

A motion was made by Erckenbrack to approve the transfer of $8,670.02 from the Water Money Market Account and $36,533.85 from the Sewer Money Market Account to the General Checking Account to cover the loan payments, seconded by Ackerson. AIF/MC

Holmes stated that the transfer of committed funds approved in December has been completed. Holmes stated that the only change to what was approved in December was the Police Department, instead of $2,000 there was only a balance of $758.00. Holmes stated that all other departments were completed as approved. Holmes stated that the City is currently working in closing out 2017 and completing the year end reports.

**OLD BUSINESS:**

1. Verndale Sun Ads- Ludovissie stated he had read the email Holmes sent from the auditor. Ludovissie asked what if the City had to do it, why does the ad have to say Liquor Store instead of the City of Verndale. Holmes stated that the Liquor Store could sponsor an ad. Ludovissie asked what if the ad said from the City of Verndale congratulations, and then not put anything in there. Holmes asked Ludovissie if he read the League of MN Cities. Erckenbrack stated that the ad could not say from the City it would have to be from the Liquor Store. There was discussion about the ad having to say Liquor Store. Holmes stated the ad would have to say Liquor Store since they would be the one sponsoring the ad. Holmes stated that both the auditor and the League of MN Cities say not to sponsor an ad.

**NEW BUSINESS:**

1. Resolution 18-0108- 2018 Fee Schedule

A motion was made by Ackerson to approve Resolution 18-0108- 2018 Fee Schedule with the change of the Pool Fill to be charged at the bulk water rate, seconded by Runyan. AIF/MC

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Holmes questioned the pool fill charge and the rates charged for water. Holmes stated that the water money goes to Uselman and the delivery charge goes to the Fire Department. Erckenbrack stated that it is bulk water so it should be charged as bulk water. Ludovissie asked what’s the charge on that. Holmes stated that for 1,000 gallons it is $20 which is less than $17.50 +$5.50 that is currently charged, but if it’s a big pool it’s going to cost a lot more.

1. Consideration of 2018 Appointments and Committee Assignments

There was discussion about what changes were made from the previous year.

*2018 Appointments*:

Official Newspaper- Verndale Sun

Official Depository- Star Bank

Acting Mayor- Ardith Carr

City Attorney- Dan Carlisle, Pemberton, Sorlie, Rufer & Kershner, PLLP of Wadena

Criminal Prosecution Attorney- Wadena County Attorney

Criminal Prosecution Attorney- Pederson & Pederson, PA

Hearing Officer- Paul Brownlow

*2018 Committees*:

Police- Carr & Runyan

Fire Department- Erckenbrack & Runyan

Sewer & Water- Ludovissie & Ackerson

Streets, Parks & Buildings- Ackerson & Carr

Building Permit Committee- Mark Callahan, Carr & Uselman

Cemetery- Ackerson & Erckenbrack

Weeds & Pests- Runyan & Ackerson

Liquor Store- Erckenbrack & Carr

Economic Development Authority- Carr & Ludovissie

Finance & Personnel- Carr & Ludovissie

Emergency Management Director- Steve Schmitz

Safety Committee- Erckenbrack, Runyan & Uselman

A motion was made by Erckenbrack to approve the 2018 appointments and committees, seconded by Runyan. AIF/MC

**OTHER BUSINESS:**

1. NJPA Election/Ballot- Board of Directors

Ludovissie asked if the Council had to vote on this. Holmes stated yes, they want the council to submit a vote. There was discussion about if and what the Council did in previous years. There

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was discussion about the Candidates. Ackerson stated that Deiss is the Mayor of Wadena and he’s on the ballot.

A motion was made by Runyan to vote for George Deiss, seconded by Ackerson. AIF/MC

A motion was made by Erckenbrack to adjourn the meeting at 7:10 pm, seconded by Ackerson. AIF/MC

**Submitted by: Attest:**

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Melissa Current, Deputy Clerk Raye Ludovissie, Mayor