**CITY OF VERNDALE**

**WADENA COUNTY, MINNESOTA**

**REGULAR COUNCIL MEETING MINUTES**

**Monday February 8, 2021**

**6:00 pm**

**Verndale City Hall**

**101 Brown St SW**

**MEMBERS PRESENT:**  Ardith Carr, Tara Erckenbrack, Jim Runyan, Tony Stanley

**MEMBERS ABSENT:** Daryl Jacobson

**STAFF PRESENT:**  Chase Graba, Public Works; Melissa Current, City Clerk/Treasurer

**STAFF ABSENT**: Michael Madsen, Fire Chief; Cory Carr, Police Chief; Matt Uselman, Public Works Manager

**VISITORS PRESENT:** Heath Belknap, Verndale Alliance Church; Bob Klug, MN Rural Water; Clif Allen, Moore Engineering; Dwayne Gedde

**OPENING PRAYER:** The opening prayer was led by Heath Belknap, Verndale Alliance Church.

**CONSIDERATION OF MINUTES AND FEBRUARY PAYABLES**

A motion was made by Runyan to approve the January 11, 2021 Regular Meeting Minutes, the January 19, 2021 Special Meeting Minutes and the January 25, 2021 Special Meeting Minutes as written, seconded by Stanley. AIF/MC.

A motion was made by Carr to approve the February payables in the amount of $53,935.19, seconded by Runyan. AIF/MC.

**ACKNOWLEDGE VISITORS:**

**Dwayne Gedde- Water/Sewer Bill:** Gedde explained that pipes had broken and all the water went into his basement and not down the sewer. Gedde asked the Council why he was getting charged so much for the sewer. Stanley stated that the bills are made out based on what the meter readings are. Gedde stated that the pipes have been fixed. There was discussion about adjusting Gedde’s bill to the average usage for sewer; he would need to pay for all the water.

A motion was made by Runyan to approve a sewer credit for Dwayne Gedde so that only the average of his sewer usage is billed, seconded by Stanley. AIF/MC.

**Bob Klug – MN Rural Water:** Klug gave an overview of how the apprentice program for MN Rural Water would work. Klug stated that their curriculum hasn’t been finalized yet as their program hasn’t been finalized by the MN dept of Labor. Klug stated that there are grants available but they are not guaranteed; MN Rural Water would apply for the grants. Stanley asked for a rough ball park number of what this would cost the city if there are no grants. Klug stated $4,000-$5,000 for the training part for the two-year program. Stanley asked about agreements between the employee and the City stating that they have to buy out the contract if they don’t stay. Klub stated that the Dept. of Labor doesn’t allow that kind

Page 2

February 8, 2021

City of Verndale

Regular Council Meeting

of language in the apprentice program agreements. Klub stated that MN Rural Water would have a contract with the City saying that the City wants to participate in the program. Council asked if the City could have an agreement of their own with the employee for the program. Klub stated he would check into that and see what other states are doing. Stanley asked what the timeline was for getting signed up for the program. Klug stated that he’s hoping to hear back from the Dept. of Labor by the end of February. Klug stated he was hoping to start the program in April; as soon as the standards are approved, he will call Graba. Graba asked Council if they were comfortable with Klug getting ahold of him to apply for the program. Council stated yes. Erckenbrack stated that it’s just a matter of working out the fine details of it.

**Clif Allen - Moore Engineering:** Allen stated that formal concurrence form USDA Rural Development authorizing Moore Engineering to issue the Notice of Award and to prepare the Construction Contracts for the Water Tower with Maguire Iron, Inc., and for the Meter Replacement project with Dakota Supply Group. Allen stated that once the contracts and bonds are in place and the City attorney has a chance to review, they will schedule the preconstruction conferences and deliver the formal Notice to Proceed. Allen stated that on January 15 the City received an Amended letter of Conditions announcing the approval of $108,000.00 in subsequent RD Grant funds for the water tower and meter replacement projects. Allen stated that an invoice for professional services has been submitted for the final percentage of the phases for Studies and Reports, Final Design and Bidding and Negotiating. Allen stated that Approval of Invoice #25922 in the amount of $25,000.00 is recommended.

A motion was made by Carr to approve the Moore Engineering invoice in the amount of $25,000.00, seconded by Stanley. AIF/MC.

**Clif Allen - Local Road Improvement Program (LRIP):** Allen stated that pursuant to Council actions taken at the January 2021 meeting, they are well underway with the preparation of two LRIP Grant Applications one for Eastside Drive and one for West Service Drive. Allen stated that estimates for both projects are now under a final review and the applications are scheduled to be sent to the County Engineer to request a Resolution of Support from Wadena County. Allen stated that they are planning to apply for the higher amount of each estimate. Allen stated that for Eastside Drive full curb and gutter is coming in at $731,000.00; the construction portion is estimated to be $580,000.00. Allen stated that the construction costs are 100% grant dollars; it’s the soft costs that the City will need to pay for. Allen stated that if just rural section is done then the cost is closer to $400,000.00. Allen stated that the strategy when asking for grant dollars is to stay high. Allen stated that for West Service Drive they are looking for the removal of pavement and reshaping it a bit. Allen stated that the cost is roughly $400,000.00 for that. Allen stated that there is about $270,000 in construction costs $40,000 in contingencies and $77,000.00 in soft costs. Allen stated that final applications are due to MNDOT in early March. Allen stated that they are encouraging the City to reach out to stake holders on both projects for written letters of support.

**Katie Heppner – Economic Alliance – Housing Study:** Heppner gave a brief over view of the housing study that was done on Verndale. A copy of the study is available for review at the City Office. Heppner stated that if anyone wants to go through the study in further details please contact her. Heppner stated that this study was funded by Wadena County with grants from Sourcewell and MN Power. Heppner stated that if the City is interested in Rental Housing Rehabilitation programs, she has helped other communities in the area apply for USDA Grants to help set up the program. Heppner stated outside the

Page 3

February 8, 2021

City of Verndale

Regular Council Meeting

area she has worked with extensively with the Small Cities Development Program. Carr asked if these programs are based on income. Heppner stated that it depends on how the program is set up; generally, yes. Heppner stated that they are developing a Housing Task Force to work County wide to actively pursue the recommendations in the study across the County. Heppner stated that they would love to have someone from Verndale on the Task Force. Heppner stated that the Task Force will be meeting in March. Carr asked if the person on the Task Force needed to be a Council member. Heppner stated no, it can be anyone. Carr stated that she thought Raye Ludovissie had put in quite a bit of time into this so the City should ask him if he’s interested in joining the Task Force. Ideas were discussed for how to get more rental properties in town.

**DEPARTMENT REPORTS:**

**FIRE DEPARTMENT – MIKE MADSEN-FIRE CHIEF-** No Report

**LIQUOR STORE - MELISSA CURRENT-** Current stated that there was a net profit of $2,962.04 for the month. Current stated that numbers are comparable to 2019. Current stated that the Liquor Store will be closed on Sunday’s now since football is over. Runyan stated that there’s a possibility of baseball leagues having games on Sundays. Current stated that if they know ahead of time they can accommodate.

**POLICE-CHIEF CARR-** Chief Carr was absent.

**PUBLIC WORKS- MATT USELMAN-MANAGER-** Graba gave Uselman’s report. Graba stated that they may have found a two (2) block section of town where the water leak is; they just need to narrow their search down to a specific spot. Graba stated that the next step is to have a company (WSB) come from the Twin Cities and drill holes in that section to see if water pops up. Graba stated that WSB will be in the area next week so they wouldn’t charge for the mileage, but the cost is $280.00 per hour. Graba stated that they found a few hydrants that needed to be worked on; they are being fixed. Graba stated that approval is needed for an RFP for developing the Wellhead Protection Plan. Graba stated that Uselman is recommending approval of Bayerl Water Resources.

A motion was made by Carr to approve the RFP submitted by Bayerl Water Resources for completing the Wellhead Protection Plan for the City of Verndale, seconded by Runyan. AIF/MC.

Graba stated that they are waiting to hear back from the school as to when the 4th grade class will be coming out to tour the Water Treatment Plant. Graba stated that all the rules for social distancing, masks, etc. will be observed during their visit.

**CLERK/TREASURER- MELISSA CURRENT**- Current stated that the Board of Review is set for Tuesday April 6 at 3:00 pm. Current asked if that date/time works for Council. It was determined that there would be a quorum for that date/time. Current stated that she needs approval to transfer $1,141.09 from the Sewer Money Market account and $4,948.32 from the Water Money Market account to the General Fund Checking Account for a total of $6,089.41 to pay the MN PFA GO Loans.

Page 4

February 8, 2021

City of Verndale

Regular Council Meeting

A motion was made by Runyan to approve transferring $1,141.09 from the Sewer Money Market account and $4,948.32 from the Water Money market account to the General Fund Checking Account for a total of $6,089.41 to pay the MN PFA GO Loans, seconded by Stanley. AIF/MC.

Current stated that Workman’s Comp Insurance went up $3,500.00 from last year. Current stated that this mainly affects the Police budget; it will be over budget by $3,000.00. Current stated that Property/Casualty Insurance increased $4,483.00 from last year. Current stated that the increase was spread pretty evenly with about a $500.00 in increase in most categories. Current stated that Buildings has an increase of $1898.00; the Buildings budget will be over by this amount. Current stated that garbage rates increased by about $10.00 per month. Erckenbrack stated that since this information came in after the budget, the City will be overbudget. Current stated yes, unless something is cut somewhere else.

**OLD BUSINESS:**

A. Employment Policy:

1. Vacation time: There was discussion about allowing the carry-over of 40 hours of vacation time to the following year instead of having to use it all by the end of each year. Stanley stated that there would be a cap as to how many hours of vacation an employee could accumulate. Council agreed that the cap would be whatever the schedule says is the employee’s allotment of vacation hours for the year plus 40 hours. It was noted that seasonal full-time employees will not have a carry-over option.
2. Comp. Time: There was discussion about keeping comp. time or paying it out each pay period. Stanley stated that there needs to be a trigger as to when comp time is used and when vacation time is used, is that notice? Current stated that she goes by what is written on the timecards. Council agreed that comp. time must be used or paid out by the last pay period of the year and that comp. time must be drawn down to zero first, then vacation time may be used. Council asked for employees to receive a reminder in September about remaining comp. time.
3. Insurance: This is a new section in the employment policy. Stanley asked if it is stipulated in the contract/handbook that the City pays for a single employee’s premium or is there a set dollar amount. Carr stated that it is a dollar amount. Current stated that premiums change; the City pays whatever the premium is. Carr stated that she thought the City only paid a certain dollar amount. Current stated that as long as she’s been here the whole premium has been paid. Erckenbrack stated that in the budgeting process the Council should know what the single employee premium is so they can track what the City is paying. Current stated that the budgets have Insurance as a line item and that is what the City is paying for premiums. Erckenbrack asked Current to bring some information for next year’s budget to look at the breakdown. Erckenbrack asked for this portion of the policy to be reviewed again next year.

A motion was made by Carr to approve the Employment Policy with the additions and corrections, seconded by Stanley. AIF/MC.

Page 5

February 8, 2021

City of Verndale

Regular Council Meeting

B. Sewer lagoon Insurance: Council discussed what would be covered by insurance.

A motion was made by Stanley to approve having insurance on the sewer lagoons, seconded by Carr. Voting in favor were: Carr, Erckenbrack, and Stanley. Runyan was opposed. MC.

C. Ordinances – Current stated that the packet of Ordinances is due to the publisher by Feb. 24 so she needs to know if the City is ready to send it back.

1. Tobacco Ordinance: Current stated that the County is recommending the City update its Tobacco Ordinance. Current stated that the current ordinance has most of the recommendations in it already. Current stated that some definitions would need to be added and that Prohibited Sales would need to be discussed. Council agreed to add Electronic Delivery Device and Liquid Packaging to the Prohibited Sales section of the Ordinance. Council asked Current to get ahold of businesses that could potentially sell these and let them know about the changes.

A motion was made by Runyan to approve sending the Ordinance package with all the additions and corrections to the publisher, seconded by Carr. AIF/MC.

**NEW BUSINESS:** None

**OTHER BUSINESS:**

1. Subordination Agreement – Sue Rocheford Freeman: Current stated that this from when the Housing Rehabilitation Program was being used; they are asking the City to be second on the list of liens instead of first. Stanley stated that a bank won’t give them a new mortgage unless the City agrees to be paid second.

A motion was made by Carr to approve the Subordination Agreement with Sue Rocheford Freeman, seconded by Stanley. AIF/MC.

Mayor Erckenbrack adjourned the meeting at 8:44 pm.

**Submitted by: Attest:**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Melissa Current, City Clerk/Treasurer Tara Erckenbrack, Mayor