**CITY OF VERNDALE**

**WADENA COUNTY, MINNESOTA**

**REGULAR COUNCIL MEETING MINUTES**

**Monday July 13, 2020**

**6:00 p.m.**

**Verndale City Hall**

**101 Brown St SW**

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

**MEMBERS ABSENT:** None

**STAFF PRESENT:**  Tyler Savaloja, Police Officer; Matt Uselman, Public Works Manager; Melissa Current, City Clerk/Treasurer

**STAFF ABSENT**: Michael Madsen, Fire Chief; Cory Carr, Police Chief

**VISITORS PRESENT:** Clif Allen, Moore Engineering; Julie Nelson, Mayer, Porter, and Nelson; Tahna Rurup, Family Life Church; Dan Huebsch, Concerned Citizens for Youth; Tina Wegscheid, Verndale Lions; Brian Roth, Verndale Lions; Brian Hagen, Robin Fish, Jean Birch, Linda Heikkinen

**OPENING PRAYER:** The opening prayer was led by Tahna Rurup, Family Life Church.

**CONSIDERATION OF MINUTES AND JULY PAYABLES**

A motion was made by Ackerson to approve the June 8, 2020 Regular Meeting Minutes as written, seconded by Erckenbrack. AIF/MC

A motion was made by Runyan to approve the June 22, 2020 Public Hearing and Special Meeting Minutes as written, seconded by Erckenbrack. AIF/MC

A motion was made by Ackerson to approve the July payables in the amount of $26,387.55, seconded by Erckenbrack. AIF/MC

**ACKNOWLEDGE VISITORS**

**Dan Huebsch:** Huebsch gave an overview of how the Concerned Citizens for Youth Program works. Huebsch also gave program statistics and activities**.**

**Verndale Lions:** Roth stated that the Lions are in the beginning stages of either rebuilding the Community Center or making repairs. Roth stated that the Lions understand that the building is owned by the City and they want to use gambling funds to fund the project. Roth asked if the City would set up an account for them to put money into for the rebuilding/repair of the building. Roth stated that they would like a Council member on their building committee. Current asked Nelson if this is something the City could do. Nelson stated that yes, the city could take in the donation and track the expenses. Hagen asked what would happen if they didn’t use all the

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money that was donated for the building. Nelson stated that the City would not be able to return any unused funds because the City can’t make a donation back. Erckenbrack stated that it would be in a building fund so any unused money would stay in it for building repair. Nelson suggested checking the League of MN Cities for the list of what public purpose expenditures are and what is allowable. Ludovissie stated that the City will get a copy of that and get it to them so they are comfortable with what is taking place. Roth asked for one person to be chosen as the contact; Runyan was chosen.

A motion was made by Ackerson to approve setting up a building fund account for the Verndale Lions based on their donations to the City, seconded by Runyan. AIF/MC

**Brian Hagen:** Ludovissie asked Hagen if he was looking at TIF funds. Hagen stated yes. Ludovissie asked what was needed from the City to proceed; to just be okay with it. Current stated that there is a resolution that states that the City will have a public hearing on August 17 that needs to be approved. Erckenbrack asked for an explanation of what a TIF is, how it affects the City. Hagen stated that he is working with David Drown Associates and they are the experts at it. Hagen stated that he was told this property would qualify for a TIF District. Hagen stated that a property has x amount of tax dollars on it, money gets put in to increase it and from the base line to where it’s increased to is what the City will be foregoing to help the project get off the ground. Hagen stated that the School does the same thing and so does the County because they are the three taxing agencies. Ludovissie asked if lasts for eight (8) years and then it is gone. Hagen stated yes and then it goes back to the full amount. Erckenbrack stated that the City doesn’t lose any existing tax revenue, it’s just foregoing the additional tax revenue because of the new business. Hagen stated right.

A motion was made by Carr to approve Resolution 20-0713C – A resolution Calling for a Public Hearing on the Modification of Municipal Development District No. 1, The Approval of the Modified Development Program related thereto, the Establishment of Tax Increment Financing District 1-4, and the Adoption of Tax Increment Financing Plan Related thereto, seconded by Ackerson. AIF/MC.

**Clif Allen - Moore Engineering:** Allen stated that he has one (1) action item and that is the professional service agreement in the amount of $6,500. Allen stated that there are only 2 items left on the punch list for Eagle Construction. Allen stated that he received a call from the City attorney on the Water Tower Project and he is going to push it along. Allen stated that he is putting him in contact with Tyler Ray from USDA Rural Development.

A motion was made by Ackerson to approve paying the Moore Engineering Invoice in the amount of $6,500.00, seconded by Erckenbrack. AIF/MC

**Julie Nelson – Mayer, Porter & Nelson:** Nelsongave an overview of the audited financial statements for the year ending December 31, 2019. Nelson stated that one of the opinions was qualified and that was due to not having an actuary done for the fire department pension. Nelson

stressed that during the budget process, the City should only budget for what is expected to be

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spent that year. Nelson stated that the Cemetery showed a loss of $47,341.00 which means that the Cemetery is borrowing funds from the General Fund. Nelson stated that the City either needs to uncommit funds or the City may want to transfer money from the General Fund to the Cemetery to cover the costs. Nelson stated that the City may be able to levy for the Cemetery. Current was asked to research how the cemetery accounts are set up. Nelson stated that department heads should be initialing timecards as they are the ones that know what hours were worked. Nelson stated that anytime donations come to the City they need to be accepted by Resolution. Nelson stated that anytime there is a contactor that has employees working for a wage then an IC134 (Contractor’s Affidavit) needs to be filled out and sent to the MN Dept. of Revenue before final payment can be made.

A motion was made by Erckenbrack to accept the audit findings for year ending December 31, 2019, seconded by Carr. AIF/MC

**DEPARTMENT REPORTS:**

**FIRE DEPARTMENT – MIKE MADSEN-FIRE CHIEF-** Ludovissie stated that Madsenwasn’t here and Council could read his report.

**LIQUOR STORE - MELISSA CURRENT-** Current stated that Council could read her report. Current stated that if possible, she would like help serving beer outside on July 25. Current stated that they would need to fill out an application to be an employee for the event. Current stated that she was informed about a mess down the sidewalk. Ludovissie stated that employees will need to watch patrons so they don’t walk out the door with drinks in their hand(s). Erckenbrack asked for a thank you letter to be sent to the Lions for the use of their canopy.

**POLICE-OFFICER SAVALOJA-** Ludovissie stated that he wanted to know about the accident that happened on July 12. Savaloja stated that he wasn’t on duty when it happened but arrived shortly after. Savaloja stated that a vehicle going southbound on 23, attempted to cross Highway 10 to continue southbound and struck a vehicle that was eastbound on Highway 10. Ludovissie stated that that is a dangerous intersection and the City has asked for lights and the City still can’t get lights. Ackerson asked what the reasoning was for not getting lights. Ludovissie stated that it’s expensive and there hasn’t been enough deaths. Erckenbrack asked Savaloja if he was keeping his eye on properties in town. Savaloja stated yes, he’s noticed that some of them are starting to get stuff back in them again.

**PUBLIC WORKS- MATT USELMAN-MANAGER-** Uselman stated that he received a quote for the sidewalk construction in the park and to replace a small section of sidewalk on Brown St N from D. Shingledecker Concrete & Construction in the amount of $17,153.38. Uselman stated that this wouldn’t get done until maybe next Spring. Uselman stated that they removed one tree in the park that was in the way of the new sidewalk. Uselman stated that they started crack filling streets and they also started cleaning sewer main lines with the jetter. Uselman thanked the Council for purchasing the new street sweeper as it is very nice and easy to use compared to what the City had. Uselman stated that because a new well and treatment plant is online the City

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will be put on Base monitoring for lead/copper beginning in October 2020. Uselman stated that this is required because of a chemistry change to the water. Uselman stated that he needs 20 residents to volunteer to do this. Uselman stated that it is completely free and the only thing that residents would need to do is fill a bottle that would be supplied first thing in the morning before any other water has been turned on.

A motion was made by Carr to approve the quote received from D. Shingledecker Concrete & Construction in the amount of $17,153.38 for the sidewalk construction in the park and to replace a small section of sidewalk on Brown St N, seconded by Ackerson. AIF/MC

**CLERK/TREASURER- MELISSA CURRENT**- Ludovissie asked Council to approve to transfer $209.51 from the Water Money Market account and $5,954.49 from the Sewer Money Market Account to the General Fund Checking Account to pay Northland Trust a total of $6,164.00.

A motion was made by Ackerson to approve transferring $209.51 from the Water Money Market account and $5,954.49 from the Sewer Money Market Account to the General Fund Checking Account to pay Northland Trust a total of $6,164.00, seconded by Carr. AIF/MC

Ludovissie asked what the Coronavirus Relief Fund money could be used for. Ludovissie thought that the Bar might qualify to use some of the money. Current stated that was her thought too. Current stated that unemployment costs would be covered. Both Ludovissie and Erckenbrack questioned if the funds could be used for lost revenue and inventory. Current stated that she will look into this. Current stated that she knew the Fund could be used to pay for unemployment costs. Current stated that there is generic wording of COVID related expenses so these could possibly be covered there. Current asked for clarification on the employment policy as to when vacation time could start to be used. Ludovissie stated that after the 6-month probation period then vacation hours should be able to be used. Council agreed. Current stated that there would need to be a policy change to state this. Current stated that she would bring the employment policy changes to the next meeting. Current asked for a meeting date to be set for the proposed budget as this needs to be voted on at the September meeting. Council set the budget meeting for August 17 immediately following the public hearing.

**OLD BUSINESS:** None

**NEW BUSINESS:**

1. Cemetery Bylaws - Heikkinen and Birch both approached Council and stated that the bylaws didn’t seem right/fair when it came to the flowers. Heikkinen and Birch both bought expensive artificial flowers that were removed and thrown away after June 15. Heikkinen and Birch both wanted flowers to be able to kept at the cemetery after June 15 and stated that artificial flowers in approved containers shouldn’t be removed until they become unsightly. Erckenbrack stated that a committee will look at the Bylaws and make changes as needed to ensure that they are fair and enforced consistently.

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1. Resolution 20-0713 – Donation to Greenlawn Cemetery

A motion was made by Carr to approve Resolution 20-0713 – A Resolution accepting a Donation to Greenlawn Cemetery from Anonymous in the amount of $500.00 for perpetual care, seconded by Ackerson. AIF/MC

1. Resolution 20-0713A – Donation from the Verndale Lions

A motion was made by Ackerson to approve Resolution 20-0713A – A Resolution Accepting a Donation from the Verndale Lions in the amount of $1500.00 for the Verndale Celebration, seconded by Erckenbrack. Voting in favor were: Ackerson, Erckenbrack, Carr and Runyan. None were opposed. Ludovissie abstained because he is on the Celebration Committee. MC

1. Resolution 20-0713B – Election Judges

A motion was made by Ackerson to approve Resolution 20-0713B – A Resolution Appointing Election Judges for the 2020 Primary and General Elections, seconded by Erckenbrack. Voting in favor were: Ackerson, Erckenbrack, Ludovissie, and Runyan. None were opposed. Carr abstained as she is an alternate election judge. MC.

1. Ordinance 82- Chickens

Carr expressed concerns with this Ordinance being enforced. Ackerson expressed concern about the poop being picked up and taken care of. Erckenbrack stated that she would like to see penalties listed for violating the Ordinance. Fish stated that there should be a line that states that reoccurring offenses will result in the loss of privilege to have chickens. Council agreed. Current will make changes and present them at the next meeting.

**OTHER BUSINESS:** Ackerson asked for an update from Rife’s. Current stated that she talked to Rife and she had stated that her purchase was accepted. Current stated that Rife asked if the EDA does gap financing to move forward. Ludovissie stated that the EDA is pretty tight on what they will do; he gave them direction on that. Current stated that Rife is still hoping to be able to open by September.

A motion was made by Erckenbrack to adjourn the meeting at 8:17 pm, seconded by Carr. AIF/MC.

**Submitted by: Attest:**

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Melissa Current, City Clerk/Treasurer Raye Ludovissie, Mayor