**CITY OF VERNDALE**

**WADENA COUNTY, MINNESOTA**

**REGULAR COUNCIL MEETING MINUTES**

**Monday, August 7, 2017**

**6:00 p.m.**

**Verndale City Office**

**101 Brown St. SW**

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

**MEMBERS ABSENT:** None

**STAFF PRESENT:** Cory Carr, Police Chief; Barbara Holmes, City Clerk/Treasurer; Michael Madsen, Fire Chief; Gary Rosenthal, Liquor Store Manager;

**STAFF ABSENT**: Matt Uselman, Public Works Manager

**VISITORS PRESENT:** Marlo Benning, Verndale Sun; Kevin Wernberg, WSN; Robin Fish, Immanuel Lutheran Church; Amos Self, Family Life Church; Joeb Oyster, Moore Engineering; Larry House, Verndale Area Christian Academy; Renee House, Verndale Area Christian Academy; Melissa Current, Austin Ludovissie, Donald Weinger

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

**CONSIDERATION OF MINUTES AND AUGUST PAYABLES**

A motion was made by Carr to approve the July 10, 2017 Regular Council Meeting Minutes and the July 10, 2017 Public Hearing Minutes as written, seconded by Runyan. AIF/MC

A motion was made by Ackerson to approve the August payables in the amount of $46,674.40, seconded by Erckenbrack. AIF/MC

**ACKNOWLEDGE VISITORS**

**Kevin Wernberg-WSN-** Progress Report #51 – Wernberg stated that construction is done, there are some items that need to be finished. Carr stated that according to Uselman the silent alarms on the generator don’t work. Wernberg stated there was a switch on there. Carr stated it doesn’t work. Carr stated that the brackets need to be made to fasten the generator down, and the generator only works manually. Wernberg stated he would start with his report and then get to that. Wernberg stated that since last month the generator has been installed, man holes were lined so all the major construction work is completed. Wernberg stated the generator was tested on Friday and he is aware that the automatic transfer switch didn’t work. Wernberg stated the

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contractor will have to come back and anchor the generator to the concrete slab. Wernberg stated he would like to consider those warranty items, unless the City wants to delay closing out the RD funds for another month. Carr stated that her understanding from Uselman was that the project should not be considered complete until these items are taken care of. Carr stated that Uselman did have to come up during the storm because the generator wasn’t working. Holmes stated Uselman put in 3 hours during the storm. Wernberg stated the generator wasn’t hooked up yet. Carr stated that now that it is hooked up it still doesn’t come on automatically. Carr asked if there is storm now would Fleischer have to come in. Wernberg stated yes, someone would have to come in and manually start it. Wernberg asked the council if that meant that they didn’t want to talk about the change order and partial payment what-so-ever and hold off for one more month, which gives the City another month of temporary financing and the project won’t be closed out. Runyan asked Wernberg to explain how he thought this work should be under warranty. Wernberg stated that the contractor has a one-year warranty on everything that they install. Wernberg stated that the partial payment in the council packet pays the contractor for everything; it gives them their retainage back and it says that he is done. Wernberg stated that if the partial payment is done then, in his opinion these would-be warranty items, he would have to come back and fix them. Wernberg stated there are some wires that look brown/singed that Uselman has to call the control supplier about. Carr asked when the contactor would be back, he would be back sooner if he wasn’t paid. Wernberg stated that’s the City’s call but, then the City would be paying for another month worth of temporary interest. Ludovissie asked what is another month of interest. Wernberg stated he didn’t know. Holmes stated the City wouldn’t know until the project is closed out. Wernberg asked when is the latest the City can get their assessments to the County. Holmes stated she should have them in by October. Wernberg stated that then the City would want to have the public hearing by the end of September, which means the first week in September the notices would need to go out. Wernberg stated that he wants to meet with the finance committee and Holmes and Uselman sometime this month to go over each lot and make sure the calculations are right. Holmes stated the council could approve the payment by motion for the committee to approve it once Uselman says it is complete. Wernberg stated that Change Order #7, which in his opinion is the final one, pays for roadway improvements, which was done several months ago; manhole lining and compensational adjustments. Wernberg stated that the total for change order #7 is $56,827.30 and he’s looking for a motion on that.

A motion was made by Runyan to approve Change Order #7 in the amount of $56,827.30, seconded by Erckenbrack. AIF/MC

Wernberg stated that Partial Payment #9 total owed to the contractor is $2,442,076.24. Wernberg stated that this releases the previously held retainage of $119,410.32, the total amount due with this payment is $173,280.17. Wernberg did a break-down of the $2,442,076.24 and a construction cost review. Wernberg stated that the assessable portion appeared to be about

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$75,000 (3%) over the total estimated at the public hearing. Wernberg stated that he is more concerned with the lineal footage of assessment distances than he is about the project cost. Wernberg asked if the City wanted to schedule the final assessment hearing or wait. Wernberg stated the City wants to be as close to the actual cost as possible before the notices are sent out. Holmes stated that notices have to be received 10 days before the public hearing. Ludovissie asked if September 20th would work or if that’s too late. Holmes stated that the 20th would be fine because the spreadsheet has to be ready to go to the County by the time those go out. Wernberg stated there needs to be 30 days after the hearing for anyone that wants to prepay any portion of it. A public hearing for the final assessments was set for September 20th at 5:00 pm at the Verndale Fire Hall. Ludovissie asked Holmes if she would send out the notices Sept. 10, that would give the 10-day window. Holmes stated the notices would go out Sept. 6th or 7th so that they are received 10 days ahead of time. Holmes stated it would run in the paper for two weeks. Wernberg stated that the Partial Payment got skipped over.

A motion was made by Erckenbrack to approve Partial Payment #9 in the amount of $173,280.17 to be paid after the water and sewer committee accept that the project is complete, seconded by Carr. AIF/MC

Wernberg stated that there was no agreement for the final assessment hearing. Wernberg stated that Engineering Amendment #5 has been prepared in the amount of $8900, which is the same as what the preliminary hearing was. Carr asked Wernberg if this is part of the Rural Development loan, this wasn’t included in the final bid. Wernberg stated that typically he hasn’t seen Rural Development pay for anything associated with assessments. Wernberg stated that when the first part was submitted they did agree to pay for the preliminary hearings, these were called informational hearings. Wernberg stated he has submitted this to Rural Development but, he hasn’t heard anything back, it would surprise him if they said this was eligible. Carr stated that Wernberg knew at the beginning of this project that there would need to be a final hearing, why wasn’t this included in the total cost. Wernberg stated he hasn’t had an agreement since 2014 when the feasibilities studies were done. Wernberg stated that he didn’t put this in any of the Rural Development stuff. Wernberg stated he knew there would need to be a hearing but, it was several years out. Carr asked if that is when the loan was started. Wernberg stated that in 2014 they had their meetings with them and there was a Rural Development agreement, which took them all through the construction and through the loan close-out; he doesn’t have an excuse as to why he didn’t get it here earlier. Ludovissie asked Wernberg when he would like that paid out. Wernberg stated he would send the bill when everything is done. Wernberg stated that if Rural Development approves it then it will be part of the Rural Development thing and the City would pay it under a normal thing. Wernberg stated if they don’t approve it, it’s still an assessable cost, it wouldn’t get funding, it’s not going to come out of the grant portion of this project. Ludovissie asked for thoughts. Erckenbrack stated that the City got their dollar figures estimated one-year

ago, not 4 so why didn’t the City get the cost then. Carr asked Wernberg what he needed from

the council. Wernberg stated hopefully approval. Ludovissie asked the council if they wanted to

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wait to pay it until the water and sewer committee say the project is complete. Erckenbrack stated that the Council could wait to pay it until September, the final meeting isn’t until the 20th. Wernberg stated it didn’t need to be paid out until he did the work. Erckenbrack stated that the City wouldn’t get the final hearing unless Engineering Amendment #5 is approved.

A motion was made by Carr to approve Engineering Amendment #5 in the amount of $8900, seconded by Ackerson. AIF/MC

**Larry & Renee House – Verndale Area Christian Academy** - L. House stated that they handed out flyers at Verndale Days and wanted to let the City know what their plans are. L. House stated that they were not here to ask for money. L. House stated that they are putting in for some grants from Home Depot and Walmart. L. House stated that rooms have been measured for licensing, they have a lot of things done. L. House stated that they are being financed through other people and businesses. L. House stated that they are informing the City about the child care program that is being offered through them which they found out is a huge need for this area. L. House stated he doesn’t know much about the school which would be from Kindergarten to 6th grade. L. House stated that they have been praying for this for a couple of years. L. House stated that the Verndale Area Christian Academy is located inside the Family Life Church, but the church is not part of the school or the child care, they are a separate entity. L. House stated that they are non-denominational. Carr asked who is the “we” they are talking about. R. House stated that they have started a child care and school called Verndale Area Christian Academy and Child Care. R. House stated that they are from Pillager and Family Life Church has been praying about a school. R. House stated they took it in another direction including child care, she has been in child care for 30 years and that is her passion. R. House stated they brought it up to Amos Self and the church board about starting with child care and putting the school on the back burner for now and get the needs of the community met. R. House stated that child care is a huge need in this area there are 15 child care programs that are serving 200 kids. R house stated she started with 10 kids in Pillager and now they serve 75 kids and there is a waiting list for 12-18 months. R. House stated that people from this area drive their kids to Pillager. Carr asked how many kids they can have before they need to add another teacher. R. House stated that they are licensing 2 rooms to start with, which is 27 kids. Carr asked that will employ how many. R. House stated that this will employ 3 people full-time and a couple people part-time. R. House stated the goal is to license a couple more rooms so they could have about 50-60 kids. R. House stated they would like to access the school for lunches because they do not have a working kitchen, so that would be another expense for the parents. R. House stated that if they can access the school, they need to meet with them, to get lunches transferred over to them, that would-be income for the school because then the parents are paying for school lunches. R. House stated they want to help as many people as they can.

R. House stated they are a non-profit, so they are trying to put as much money back into the program as they can. Holmes asked if it was just daycare or if it there was preschool. R. House stated it would be preschool too, they are going to start 16 months up to 5 years for child care

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and they are considering doing before and after school and summer school for school aged kids. R. House stated this isn’t something that will happen right away but, maybe next Fall. Erckenbrack asked if they access the school for lunches how will you transport the kids. R. House stated that the food would be transported, not the kids. Ackerson asked what are the hours of operation. R. House stated 6:30 am – 6 pm. R. House stated she is working on getting licensing and she is trying to access funds through the County so that parents that receive County help can still use their program. Ludovissie asked if they were just looking to inform the City about what was going on. L. House stated yes, pretty much. Ludovissie stated that as a council member they would back them no matter what. R. House stated their next goal is for a playground, there is a proposal out for playground equipment. R. House stated the proposal is to use the playground but to have adaptations for children with special needs. R. House stated that the playground wouldn’t be built just for the school, it would be for the community. Carr asked if they have to meet the state requirements for playgrounds. R. House stated yes, and that’s why she’s going through the licensing process. Carr asked if they get money from the state. R. House stated no, right now they are getting donations from church members, and community people. R. House stated that they are having a fundraiser on Sept. 21, it will be a community auction to raise money for the child care. Holmes asked if they are an official filed non-profit. R. House stated that right now they are falling under the church’s until they can get licensed, and then they will file for their own 501C3. L. House stated that when they do start the Kindergarten through 6th grade they will not be in competition with the local school. L. House stated most of the kids they would get would probably be from the surrounding area. Carr asked how it looks not being in competition with the school if you have kids from our school going to your school. R. House stated that they are hoping the kids that come out there are kids that can’t get into the open enrollment because it’s too full. R. House stated they are trying to put money back into the school by incorporating their lunches and they will talk to them about busing as well since they don’t have any buses. Self stated that they have found that having more options makes for a healthier community and their desire is to cooperate, work together and make for a stronger community. Self stated this isn’t about Family Life Church, it’s about paying for the light bill and giving them a place to build this.

**DEPARTMENT REPORTS:**

**LIQUOR STORE- GARY ROSENTHAL-MANAGER**- Rosenthal stated that the net profit for the month was $4434.00. Rosenthal stated that Verndale Days sales were down $2300 over the 2-day period vs 2016. Rosenthal stated there was a birthday party at the bar on July 22; about 50 people spent the evening at the bar. Rosenthal stated that on July 27th there was another birthday party with about 30 people attending. Rosenthal stated there are no weddings scheduled

for August. Ludovissie asked with the parties, is the bar scheduled to be closed to make it a private party. Rosenthal stated no, it’s open to everybody. Rosenthal stated he gives the members of the party happy hour pricing all evening. Holmes asked Rosenthal if he was giving

the Relief just $1500 for the celebration. Rosenthal stated yes, the City made that commitment

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so, that should be fine. Carr asked Rosenthal on his report, was the $9600 to the good. Rosenthal stated yes, that is the net profit for the year. Rosenthal stated he thought the fireworks were missed, a lot of people that normally stick around left after the parade. Erckenbrack stated that the events were spread out, the people that came early, left early because the kids were tired. Rosenthal asked about the attendance at the bouncy houses. Ludovissie stated it was pretty good but, it was down from last year.

**FIRE DEPARTMENT- MICHAEL MADSEN- FIRE CHIEF-** Madsen stated there were 9 medical calls and 3 fire calls for the month. Madsen stated that there was 1 mutual aid to Wadena, 1 mutual aid to Wadena that was cancelled, and 1 mutual aid to Staples that was cancelled. Madsen stated that the Fire Relief Association would donate $25,000 to the purchase of the rescue van. Madsen stated he was going to go to the Brown Foundation and the Initiative Foundation and ask for funds. Madsen stated he would like approval to move forward with the purchasing process for the rescue van. Madsen stated that they buy the chaise and drive chain and then it goes to the body builder and they build the body on it and then they get it after that. Madsen stated it takes 5-6 weeks to build the chaise and then another 5-6 weeks to build the body. Erckenbrack asked if there is money to start. Madsen stated that National Leasing agreed to defer payments on it until the truck is paid off in June. Ludovissie asked if there was $8000 left. Holmes stated yes, there is $8,000 left on the loan. Ludovissie stated that they are putting away $11,000 and there would be $3000 left over from the last payment so there would be $14,000 budgeted for the first payment of the new van.

A motion was made by Carr to approve moving forward with the purchasing process of the rescue van, seconded by Erckenbrack. AIF/MC

Madsen stated that the Vegas night dinner and gun raffle will be held at the Community Center Oct. 14. Madsen stated that dinner tickets and gun raffle tickets are for sale from firemen. Ludovissie asked how much the tickets cost. Madsen stated the dinner costs $30 for 2 dinner tickets and a chance to win $500 prize or other door prizes and the gun raffle tickets are $10 each.

**POLICE DEPARTMENT- CORY CARR- POLICE CHIEF-** Chief Carr stated that Verndale Days went really good and there was nothing new. Chief Carr stated he did give a person a ride to somebody’s house.

**PUBLIC WORKS- MATT USELMAN-MANAGER-** Holmes stated she was stepping in for Uselman. Erckenbrack stated that reading through the swimming pools ordinance the required fences section says permanent fixture, most of the time pools are only up for a few weeks so how is permanent defined, the fence or the pools. Holmes stated that pools with 1,500 gals or more or with a depth of 3 feet or more has to have a fence. Holmes stated that Uselman is concerned that

for this year we are already in August; if they have to get a permit to put up a fence they are not

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going to get it done this year. Ludovissie stated that the permit would give them a year to put up the fence. Ludovissie asked if the City will tell these people to take their pools down, which they will do in a few weeks anyhow. Erckenbrack stated that the City needs to follow its protocol and make them aware of the ordinance and that they need to put up a fence and as far as next year goes they will know what the ruling is. Erckenbrack stated that the pool ordinance could go in the City Newsletter. Ludovissie stated this will give Uselman a chance to inventory who’s out there. Erckenbrack stated that notices should be given to the people to let them know this is inappropriate and that for next year, a fence will have to put up before the pool is filled. Ludovissie stated that the baseball park was damaged. Holmes asked about the alleys. Erckenbrack stated she read through the ordinance from the other city and she thinks it should be adapted here. Ludovissie asked for a motion to adopt this ordinance as the City’s. Holmes stated a public hearing needs to be held first. A Public Hearing was set for Sept. 5, 2017 at 5:45 pm at the Verndale City Office to adopt an ordinance to be able to vacate alleys.

**CLERK/TREASURER- BARBARA HOLMES-** Holmes stated her first item is a request to transfer funds from the General Fund Money Market Account – Committed Major Street Funds to the General Fund Checking Account for the paving completed by Tri City Paving ($55,990). Holmes stated that Uselman is short $1015.28 in the money market account. Holmes stated that after transferring what Uselman has into the account, a transfer of $35,223.72 would be needed so that there is not a deficit.

A motion was made by Runyan to approve transferring $35,223.72 to the General Fund Checking account, seconded by Ackerson. AIF/MC

Holmes stated she will be in and out of the office from August 22 – Sept. 1st. Holmes stated the first budget workshop needs to be scheduled. The budget meeting was scheduled for Aug 15th at 6:00 pm at the Fire Hall so the Townships can be in on the budget process.

**OLD BUSINESS:**

1. Deed- Revolving Loan Funds.

Holmes stated the EDA is offering that if 20% of the money is given back, the City can use the money anywhere the City wants instead of meeting their requirements. Ludovissie asked what 20% would be. Holmes stated about $3000, but then these wouldn’t be committed funds.

A motion was made by Erckenbrack to give Deed 20% back of the revolving loan fund that the City has right now, so that the 80% of the remaining funds are no longer committed funds, seconded by Ackerson. AIF/MC

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1. Wadena County Letter – Election by mail

Holmes stated that the County is pushing to do election by mail. Ackerson stated he thought this was a good thing, the City doesn’t have the money. Holmes stated it would cost the same to have election by mail as it does to have an election. Carr asked so the City isn’t out anything to go to election by mail. Holmes stated no, it would cost the same as it does to have an election here but, the City might get pushed into buying a new voting machine, which would cost a lot of money. Erckenbrack asked if the City wouldn’t have any voting machine at all then. Holmes stated if the City does election by mail there would be no voting in town, it gets mailed in to the County. Runyan stated he personally would like to keep the voting here. Erckenbrack stated there is a group of people that don’t trust the mail, they feel like it could get tampered with. Erckenbrack stated that there’s people that want to be in a voting booth and make sure that it is right here, right now. Ackerson asked Holmes if she had a situation in the past like that. Holmes stated in Washington it is all vote by mail, so she would get her ballot in the mail and she would take it to the Courthouse and they had a slot to put the ballots in. Holmes stated she would hand deliver her ballot to the Courthouse because she didn’t trust the mail, what if it got delayed a couple days and then her votes wouldn’t count. Carr stated there is something to be said about going and voting. Erckenbrack stated you’re committed then, you get off your butt and make a conscious effort to do it. Carr stated the City should do their own voting and not do the mail voting until the City is forced to. Ludovissie and Erckenbrack agreed. Benning asked Holmes if election by mail was coming from the County or the State. Holmes stated it is coming from the County.

A motion was made by Carr to let the County know that Verndale will not participate in election by mail until the City is required to do so, seconded by Erckenbrack. AIF/MC

1. Selection of engineering firm for water project

Ludovissie stated that the council has discussed this. Ludovissie asked the council if there was any more discussion on it or if they were all in favor of the same engineer. The council stated they were fine with announcing their decision. Ludovissie stated that the Council was awarding the water project to Moore Engineering. Oyster stated thank you, I appreciate it. Carr stated that the City appreciated them stepping forward and getting the ball rolling. Ackerson stated that doing that held a lot of weight. Oyster stated he would do his best.

A motion was made by Erckenbrack to accept Moore Engineering for the water project, seconded by Carr. AIF/MC

1. Wadena County Humane Society

Ludovissie stated that himself and Runyan met with an individual from the Humane Society and she would like the fee to be $65 instead of $70. Ludovissie stated that $70 was agreed on before she left but something changed. Holmes stated she was confused when she got the email, are

they charging $65 if the dog is there one day. Ludovissie stated it would be $65 for 5 days.

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Holmes asked what if the dog is only there one day, is it $13. Runyan stated he didn’t get that, he understands it to be $65 because that’s the initial fee. Ludovissie stated he doesn’t agree with that then, it wasn’t supposed to be $65 for one day. Runyan stated that he understood that the initial fee was $65 and the Humane Society was not going to collect a transportation fee, but they would give the address of the owner to the City so that the City could bill them. Holmes stated that either the City Ordinance needs to be changed or the $20 transportation fee needs to start being collected. Holmes asked if they would give the City the fee for the $65 or do they keep the $65. Runyan stated that the Humane Society was keeping the $65. Ludovissie stated that at the end of the quarter she was supposed to figure everything out for the City. Holmes stated that she understands it to read that the Humane Society was keeping the $65 and if the dog wasn’t picked up within 5 days they would bill the City $65. Ludovissie stated there would be 3 copies of the invoices, Chief Carr would get one, the Humane Society would get one and Holmes would get one so that she could keep track of what dogs are there. Ludovissie stated there should be a difference if there were three dogs there at once. Holmes stated that the form she is looking at is different from the one that Chief Carr has when he impounds a dog. Holmes stated that the part that states when the dog was picked up is missing from this form. Carr asked if this could be tabled until it can get cleared up. Ludovissie stated yes. Tabled until the next meeting when someone from the Humane Society can come to the council meeting and explain it to everyone.

**NEW BUSINESS:**

1. Resolution 17-0807- Accepting a Donation from the Verndale Lions

A motion was made by Erckenbrack to accept Resolution 17-0807- Accepting a Donation from the Verndale Lions, seconded by Ackerson. AIF/MC

Carr asked if this money was going to the celebration. Holmes stated yes, but, the money comes through the City so it needs to be approved, this is what Julie Nelson was talking about in the audit.

1. Resolution 17-0807A – Approving the Erection of Display Building in McNair Park by the Verndale Historical Society and Verndale Fire Relief Association

A motion was made by Ackerson to approve Resolution 17-0807A – Approving the Erection of Display Building in McNair Park by the Verndale Historical Society and Verndale Fire Relief Association, seconded by Runyan. AIF/MC

Carr stated that herself and Ackerson met with Bill Hess and it is exactly where it was originally decided at the public hearing. Carr stated that it was her understanding that Bill Beavan (wood statue) would find his home in that building. Ludovissie stated yes, he will.

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1. Resolution 17-0807B- Resolution of Public Employee Retirement Association- Police Officer Declaration

Holmes stated this is for the new part-time officer that is working a lot of hours.

A motion was made by Erckenbrack to accept Resolution 17-0807B- Resolution of Public Employee Retirement Association- Police Officer Declaration, seconded by Carr. AIF/MC

Holmes stated that for Police and Fire PERA a Resolution needs to be done saying that the City is declaring them a Police Officer declaration instead of just being put in under coordinated. Holmes stated that by doing that Social Security isn’t withheld, the City doesn’t pay Social Security but, PERA is paid at a higher rate.

**OTHER BUSINESS:** None

A motion was made by Erckenbrack to adjourn the meeting at 7:30 pm, seconded by Ackerson. AIF/MC

**Submitted by: Attest:**

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Melissa Current, Deputy Clerk Ray Ludovissie, Mayor