

CITY OF HOKAH

MINUTES REGULAR MEETING

April 7, 2009
6:00 P.M.

- **CALL TO ORDER** at 6:00 PM
- **PLEDGE OF ALLEGIANCE** Completed
- **ROLL CALL** Ross, Mullen, Christianson, Walther, Scholze
- **ACTION TO CHANGE AGENDA** None Noted

1. **Consent Agenda** Motion by Ross, second by Christianson roll call all approve

All items listed under the consent agenda are considered routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately

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|-----|--|---------------|
| 1.1 | MINUTES | MARCH 3, 2009 |
| 1.2 | BILLS PAYABLE THROUGH
Administrator Blank adds to list invoice from Davison Trucking for sewer repair March 19, 2009
at Fremont St. for \$1, 422.50. | APRIL 6, 2009 |
| 1.3 | CONSOLIDATED BALANCE SHEET | APRIL 6, 2009 |

Items 2-5 below are to be included in Council Packets if Department has items to report to Council

2. **Water/Waste Water/Flood/WWTP App. :** Written Report _____ Davy Engineering – Jim Kochie USDA NRCS EWP

Kochie reports the warranty period will be complete at the end of April 2009. Further Kochie states that he has authorization from Rural Development to repair the sludge line that broke last winter, and they should be at the plant in the next few days to make that repair. Kochie reports the repair is estimated to cost \$8,900. Kochie further reports that had the bid opening for the USDA NRCS EWP repair projects was last Wednesday on April 1, 2009. Kochie reports receiving 10 bids from various contractors. Kochie states the low bid received was from Zenke Inc. of La Crescent Minnesota. That bid amount was \$91,361.78. The budget amount as presented by NRCS was \$215,000. Kochie goes on to describe the funding received for the projects and discusses the fees that have been allotted for technical services such as the engineering costs from Davy engineering. Kochie reports that 8% of the project has been set aside for engineering costs and that he currently is at approximately 70% of that figure. Further he suggests budgeting another \$10,000 for completion of the project. Kochie also reports speaking with soil and water conservation today and they believe that there will be more money available for the engineering costs for the project and to cover overruns. He wishes to make the council aware that there may be costs above and beyond the grant provided but he believes those costs should be very minimal. To summarize he is recommending \$20,000 in contingencies and the total budget for the projects to be \$134,500. Mayor Scholze asked for a motion to award the project to the low bidder being Zenke Inc. at \$91, 361.78. Motion by Walther second by Mullen rollcall all approve. Kochie discusses the construction plans and the receiving of the bond from Zenke Inc. the signing of the contracts and other related items. Kochie also discusses being respectful to property owners in regards to these projects. Administrator Blank states that our office will make contact with the property owners and complete a right of entry document with them. Mayor Scholze discusses the land area behind the Potter residence bordered by third and fourth and Ash and Birch streets. He states this is an area where water collects during rainfall and needs to be addressed. Mayor Scholze asked Jim Kochie if he has any recommendations. Kochie reports that he had done a costs survey previously on the area. He determined there are two possible remedies to the situation. Those being number one install a pump system that would pump me water to a higher level that would then enter the storm sewer system and number two actual placement of drain piping underground. Mayor Scholze discusses each possible repair to the area with Kochie. When asked what the cost would be it was estimated that the pump system would be approximately \$30,000 and a piped system would be approximately \$50,000. Administrator Blank reports that this is one project that he has submitted for funding through the stimulus money. Further Blank reports speaking with Kevin Kelleher regarding the projects submitted. Kevin Kelleher intends to come to the City in the near future for a meeting regarding these projects.

3. **Library :** Sell old Chairs for \$2.50 each ? Written Report _____

Librarian Bissen reports there are an excess of older chairs dating back to 1939 that she request permission from the City Council to dispose of. Received ok to proceed.

4. Police Dept. :

Written Report ____

Administrator Blank reports that Chief Schuldt is at training this evening, but he has supplied a written report that the Council have in their packets. Administrator Blank discusses items from the report. Christianson asks the City notify the greater community regarding who to contact for animal control calls. Discussion to place a notice on the water bills.

5. Streets / Maintenance :

Written Report ____

6. Recreation Board

Discussion regarding receiving numerous applications for life guard positions. They have decided to place a pool manager, but to have the head lifeguard on duty assume that function.

7. Planning Commission / Zoning

Ordinance review status / Parking review

Lance Ross discusses the Planning Commission intends to meet once a month to review the City ordinances at Blank's office. Further Ross states that the Planning Commission has reviewed and discussed the parking situation at the Brown / Smith residences. He states that the consensus of the Planning Commission was to not make any parking changes in the area. Mayor's Scholze recognizes Kathleen Olson and Alan Smith are in attendance in the audience this evening. Mayor Scholze asked if they have any questions for the Planning Commission or from the City Council. Kathleen Olson states that she does have some questions. She discusses various elements of the parking situation in. She say she believes that the situation would be unique to the City of Hokah taking into consideration the area for parking and the pitch and grade of her driveway. Further she asked if anyone else has made similar complaints to the city council or planning commission in the recent past. She also asked if they made a change would they anticipate that there would be other residents that would bring similar complaints to the Council or planning commission in regard to areas of parking. Council member Ross responded to her questions as a member of the City Council as well as a member of the Planning Commission. He stated he is just one person on the planning commission and it was considered that they should not make any adjustments to the available parking in the area. Kathleen Olson goes on to state various points that she considers to be relevant to the situation. Kathleen Olson states that Police Chief Schuldt had informed her that they had no other course of action to take other than to approach the City Council with the situation. She states she does realize that there are would-be other avenues that they could pursue, but recognizes that with budgets and cutbacks as they are the city would not wish to participate in any further action that would have a monetary cost. She does ask at this point for reconsideration of the situation by the city. Scholze asked Kathleen Olson if this is something that routinely happens on an everyday basis or is this routine of a certain time of day. Kathleen Olson responds yes it does happen virtually every day. Kathleen goes on to state the hours and days that there appears to be parking problems in the area. Christianson states that she does frequently drive thru the area, and doesn't see an issue. Council member Mullen also stated she drives the area numerous times a day, and also does not see an issue. Kathleen further discusses a couple incidents where they had asked to have a vehicle moved, and were told they had no access to the keys. Mayor Scholze states he will have the Planning Commission re-visit the situation once again. Administrator Blank then speaks directly to Olson and Smith regarding ways to cooperate between the neighbors.

8. Items for Consideration

8.1 USDA Loan Closure Resolution.

Motion by Christianson, second by Mullen roll call all approve.

8.2 Tractor Bid Results / Equipment Disposal

Three bids received. High bid: \$3,650 Neal Hall. Brooklyn Park, MN

\$3,000 David Welke. Hokah, MN

\$2,250 Robert Broring. Echo, MN

Discussion regarding the bids. Administrator Blank calls on former Mayor Martell in the audience who has knowledge of this item. He suggests that the tractor be overhauled at the afore supplied quote from Caledonia Implement of \$7,000 with a year guarantee. Martell suggests selling the hydro-turn plow to La Crosse Truck Center for \$2,000. Selling the small Ford Tractor for around \$3,500. Ross states to sell the other equipment, and put a motor in the Case. Walther agrees. Scholze asks how to proceed, and Council Members state to sell the old equipment first. Scholze asks how to sell equipment. Further discussion to install a short block motor overhauled on the green Chevy three-quarter ton pickup. Further discussion between Mayor Scholze and Administrator Blank regarding discussing these items with both Welke and Klingsporn to decide what to do with the tractors and other surplus equipment on hand. Mayor Scholze discusses tabling this item for next month's meeting. Further discussion regarding the bids received for the case tractor. Discussion to sell the following items; Ford pickup, snowplow, Ford dump truck, Pelican street sweeper. Further discussion to temporarily retain the Ford tractor for possible preparer and usage. Mayor Scholze asked for motion to reject the receive bids for the case tractor and to use the equipment disposal rule in effect for the rest of the equipment. Motion by Walther second by Ross rollcall all approve.

8.3 Nelson & Associates SC - Audit Review & Approve Funds Transfer . Administrator Blank hands out the copies of the audit completed by Nelson and Associates. Further he discusses the documents received in regards to management review of the current audit status. Jennifer from Nelson and Associates has submitted a clarification letter in regards to the initial management contact correspondence. Administrator Blank also states there is it request for funds transfer from Nelson and Associates. Those amounts are 17,500 from the general fund, and 60,000 from the water bond debt service fund to the sewer operating fund. Further there is a request by City Clerk Moen to transfer \$100,000 from the sewer operating fund into the General operating fund. Administrator Blank suggests the Council members take with them this evening the Nelson and Associates audit for further review. Mayor Scholze asked for a motion to approve the fund transfers. Motion by Walther second by Ross rollcall all approve.

8.4 Danielson Insurance. Tom Danielson appears from his agency Danielsen Insurance to discuss the city's current insurance status. Danielson supplies a summary of the last five years of premium costs for the city of Hokah. Danielson describes the various highlights of the insurance package to the council. He discusses the change in the property insurance amounts due to the addition of being recently completed sewage treatment plant also changes in regards to charges that are presented in workman's comp. Danielsen reminds the council that we have an edition of the 2009 Chevrolet 1 ton pickup we removed the 1992 Ford pickup and further added the Bobcat skid steer to the insurance policy. Danielson discusses the managed care option in regards to the workman's comp insurance. He states that the managed care option is a good way for the city to save a part of the premium in regards to workman's comp. Flood insurance. Danielson states that the city had dropped their flood insurance policies but at the start of construction of the new sewage treatment plant Rural Development required that the city ensure the old treatment plant for flood coverage. Administrator Blank clarifies for the council's information that we currently have flood insurance on the old sewage treatment plant building but not the new sewage treatment plant building. Administrator Blank has been in discussion in regards to flood insurance coverage's for the new sewage treatment plant with city engineer Jim Kochie. Kochie in turn has contacted Rural Development in discussion of this flood insurance. Rural Development has stated that there is no need for flood insurance coverage on the new sewage treatment plant specifically because of the elevation of the facility as well as the availability to insure the structure due to subterranean building structures. Anything subterranean is not available to be covered for flood insurance. The old sewage treatment plant has an electrical panel and pumps that would be in peril for flooding and rural development does require us to continue with the current flood insurance coverage's for the old treatment plant. Tom Danielson clarifies that the old treatment plant is substantially lower than the new plant hence the requirement for flood coverage's for that facility. Danielson directs the

council to look at page 5 of the document that he is provided in relation to insurance coverages. He states that coverages for the new building for flood insurance would be \$515 if the council would like to add that coverage for the new treatment plant. Administrator Blank points out that that premium is substantially cheaper than the old plant's coverage due to the elevation of the structures. Further Danielson states that there is bond coverage of \$150,000 for the city's employees. Equipment breakdown coverage is included in the city insurance premium package. Danielson describes this as equipment that would break not due to normal wear and tear. Further coverages for excess liability of \$1 million umbrella coverage. Historically Danielson states the city has not participated in this particular portion of the insurance. Administrator Blank asked Danielson to describe to the City item number 12 on the evenings agenda, League of Minnesota City's Insurance Trust liability coverage waiver. Danielson describes the liability coverage waiver as if any subject would be injured in the city has not signed the waiver that would be limited to collect funds of \$400,000. If the city agrees and signs the waiver then that person could collect a sum of up to \$1,200,000. He reminds the council that they have signed this waiver in the past and that it would be advantageous to continue this procedure in the future. Administrator Blank reminds the council that we will need a motion to approve or deny the waiver. Administrator Blank discusses with the council the individual premium amounts in reference to various buildings listed on the insurance document within the city. He states that were paying large premiums for buildings that may not warrant the coverage. Example given is the bathhouse and the swimming pool. The current premium for that bathhouse is \$766 a year. Blank questions the council if we should continue that premium. Blank also discusses the city park bathroom coverage's cost of \$294 a year. Administrator Blank states there are other charges that the city is currently paying that would be similar to the examples given in that the city should revisit and possibly consider stopping payments of these structures. The city is not able to insure these by actual cash value so we either pay the premium that's listed for the particular line item or we drop that particular item. Administrator Blank asked for a motion regarding the liability coverage waiver. Motion by Walther second by Mullen rollcall all in favor. Mayor Scholze directs the council's attention to the itemized listings of the particular buildings that the city has insured. Mayor Scholze states that he believes that we could save money by removing some of these buildings from the insurance coverage's. Administrator Blank asked the council to take the insurance information home and study it and call him within a week with recommendations for which items to either leave on the premium or to remove, and he will speak with Danielsen Insurance.

Next Mayor Scholze calls on him to members in the audience Carmen Frederick and Linda Ulman. They appear to discuss the fees for utilization of the ballpark. In January 2009 they called to reserve the ballpark for every Monday night during the ball season. At that time there were no charges associated with that usage. In February 2009 the city adjusted the current building and grounds charges that are placed upon the users of the facilities. At that time added to that list of items to charges for was for ballpark usage for a team to call a ball field their home team of \$100 for the season. Ulman and Frederick were advised by Mayor Scholze of this. At this information both contested this charge. Walther states he believes since they reserved the field in January when there were no charges until February they should have the field this year for no charge. He further states that next year it should be revisited. After a discussion regarding it was determined that the city would not charge Hummers Pub which is tonight being represented by Ulman and Frederick for current year 2009. Mayor Scholze asked if it would be acceptable to them if the City did not charge them this year, but next year they would pay to use it. Christianson stated or revisit the charges at that time. Scholze stated then we would have to revisit them all. *(time on tape:1:42:58)* Mayor Scholze again asks the representatives of Hummers pub that would be acceptable they respond as a would-be. Mayor Scholze then states again that they would have it this year for no charge but next year they would have to pay. He goes on to describe some of the expenses the city pays for usage of said ballpark.

9. Old / Unfinished Business None noted.

10. Council Member's Comments. Ross asks what the situation is regarding the Alltel tower. Blank reports he has spoken to the ALLTEL representative approximately a month ago. Further that we do have one check for \$500 that we have received from ALLTEL to date. Blank reports since the merger with

Verizon Communications they have decided to revisit all future tower construction plans including ours. The ALLTEL representative did state that he was fairly confident that the Hokah ALLTEL tower would be proceeding as planned in the near future. Walther states that he has known and it has been pointed out to him by Bernard Feldmeier that the shelters at the park the posts on the bottom are rotten and he believes that they should be repaired.

11. Mayor's Comments Mayor Scholze states that the personnel committee is in the process of completing the job descriptions and in the near future we planned to conduct employee reviews. Further Mayor Scholze talks about communication issues among city employees. He states efforts to discuss the everyday workings of the City need to be improved upon. Administrator Blank states that things are going fairly smooth with a couple exceptions. He further states that he believes the place to begin this process would be with the personnel committee and the employee reviews in conjunction with the newly constructed job descriptions.

12. Staff Correspondence LMCIT Liability Coverage Waiver. Covered in Agenda Item # 8.4

13. Correspondence Received None Noted.

14. Announcements Board of Review May 5, 2009 5:30 PM. Administrator Blank states the border review publication will be in the Houston County news as well as posted in three locations in the city. Those locations are: administrative building at 102 Main St, fire department at 9 Mill St in the Hokah Post Office and Main Street.

15. Items for next Agenda Parking situation, equipment, insurance list.

16. Adjournment motion to adjourn by Walther second by Christianson rollcall

all approved at 8:07 p.m.