

**City Council Regular Meeting
April 9, 2018
Monday 6:30 p.m.**

The regular session of the City Council, City of Sacred Heart, Minnesota was called to order on April 9, 2018 at 6:30 p.m. by Mayor Dan Agre.

City Council Members present were Dick Ashburn, Randy Johnson, Andy Stauffer and Brooke Hebrink. Also present were Public Works Supervisor Mike Sietsema and Liquor Store Manager Bart Estum.

1. Approval of Agenda

A motion was made by Randy Johnson and seconded by Dick Ashburn to approve the agenda as presented. The motion carried 3 to 0.

2. Approval of Minutes

A motion was made by Randy Johnson and seconded by Andy Stauffer to approve the minutes of the March 12, 2018 Regular Meeting. The motion carried 3 to 0.

3. Invoices Payable

A motion was made by Dick Ashburn and seconded by Andy Stauffer to approve the invoices payable as presented. The motion carried 4 to 0.

4. 2017 Audit – Sara Beavers, Dennis E. Oberloh, LTD.

The review of the 2017 Audit was presented by Sara Beavers from the office of Dennis E. Oberloh, Ltd., to the council. The audit determined that the basic financial statements present fairly, in all material respects, the financial position of the City as of December 31, 2017. The report also includes the Management's Discussion and Analysis and the General Fund Budgetary Comparison Schedule as required by GASB. The Statement of Net Assets and Statement of Activities are fully accrued. The council reviewed the financial reports and Beavers explained various schedules. The policy establishes a year-end targeted unassigned fund balance amount for cash-flow timing needs in the range of 35%-50% of the subsequent year's budgeted expenditures. At the December 31, 2017, the unassigned fund balance of the General Fund was at 63.2% of the subsequent year's budgeted expenditures. A motion was made by Andy Stauffer and seconded by Dick Ashburn to accept the 2017 Audit as presented. The motion carried 4 to 0.

5. Liquor Store Report – Bart Estum

Liquor Store Manager Bart Estum was present to give his report to the council. A profit and loss report was reviewed and discussed for the month of March. Discussion was held on the 2017 audit report which showed a loss of \$97.00 for the Liquor Store for the year with unexpected high repair costs included in a \$20,276.00 Repairs, Maintenance and Supplies total for the year. Discussion was held on ways to cut expenses during the upcoming year. Discussion was held on

the profitability of Sunday sales. Councilmember Brooke Hebrink questioned if we have the option to be open on Sunday and if it is something that we should be flexible on and determine if it should be a seasonal approach. Discussion was also held on ways to improve the food menu at the liquor store in order to drive profit in the future. Estum informed the council that they currently have food specials such as meatballs and mashed potatoes. The council suggested more advertising throughout town to inform residents that these specials are available. Councilmember Andy Stauffer suggested looking into paid advertising through Facebook. The Fire Department, Sacred Heart Jaycees and the Summerfest Committee have all used the advertising for recent events and have had much success reaching individuals in surrounding communities with options to expand as far as desired. Estum informed the council that they are preparing for the Summerfest Celebration and have entertainment lined up.

6. Infrastructure Project – Paul Jurek from Bollig Inc.

Paul Jurek from Bollig Inc. was present to discuss the infrastructure project. Jurek informed the council that a response was sent to the Minnesota Pollution Control Agency (MPCA) on December 8, 2017 for the Notice of Violation for the unpermitted discharge at the Water Treatment Plant. The request was granted to allow continued storm sewer discharge until connection to the sanitary sewer can be made with Phase II improvements this summer. Engineering Amendment No. 1 was reviewed and discussed for additional services related to the MPCA violation for the Water Treatment Plant Discharge. A motion was made by Randy Johnson and seconded by Brooke Hebrink to approve Amendment No. 1 as presented. The motion carried 4 to 0. Jurek informed the council that all of the required easements for Phase II have been signed and submitted to the attorney for completion. The easements will be sent to Rural Development upon completion. All the required permits for Phase II of the infrastructure project have been submitted. A crossing permit agreement with the Twin Cities & Western Railroad Company was reviewed and discussed for the water and sewer lines that will be replaced during Phase II of the city infrastructure project. With the agreement is the requirement of a liability insurance policy. Administrator LeGare is working with the city insurance agent to secure this policy. A motion was made by Brooke Hebrink and seconded by Dick Ashburn to enter into the agreement with the Twin Cities & Western Railroad Company pending the securing of the required insurance. The motion carried 4 to 0. Phase II plans have been submitted for final approval. Once final approval is granted Bollig will advertise for bidding and hold the pre-bid conference in late April or early May.

7. Maintenance/Water/Sewer Report – Mike Sietsema

Maintenance Supervisor Mike Sietsema was on hand to give his report to the council. A letter of response from the Minnesota Pollution Control Agency on the unpermitted backwash at the Water Treatment Plant was reviewed and discussed. Haloacetic Acids and Trihalomethane Results from the Minnesota Department of Health were reviewed and discussed. Quotes from Boyer Trucks for several available Plow Trucks were reviewed and discussed. With the current condition of the city plow truck and the broken dump, the city is looking at options for repairs or replacement. If the repair costs are feasible, the council granted authority to have Sietsema move forward with the repairs of the dump with Towmaster. Sietsema informed the council that Public Works Worker Scott Agre recently passed his Class D Water Certification Test. Agre will be

able to continue his licensing in one year. Sietsema informed the council of two recent water main breaks.

8. Police Report – Monthly Summary from Renville County Sheriff’s Office

A monthly summary report was provided to the council from the Renville County Sheriff’s Office for review. A total of 38 calls were taken during the month of February. With a total of 173.25 hours patrolled for the month.

9. SHEDA Report – Randy Johnson and Andy Stauffer

Councilmembers Randy Johnson and Andy Stauffer gave the report for S.H.E.D.A. Johnson informed the council that discussion was held on the apartment maintenance list status. Discussion was also held on the possibilities of purchasing a home from YME or building a home to place on one of the EDA lots on the southwest end of town with the hopes of promoting development on those lots. Discussion was held on repairs needed on the EDA apartments including windows and doors. Kelly Martin is going to touch base with Susie Lang at the Renville County EDA to see if the EDA is eligible for the Rental Rehab Loan Program.

10. David Drown Associates, Inc. – Funding Suggestions

A funding analysis from David Drown Associates, Inc. was reviewed and discussed for the budget requirements for Phase II of the city infrastructure project. Utility rates will incur another increase in order to fund the bond payments associated with Phase II expense. Administrator LeGare will set up a special meeting with David Drown from David Drown Associates, LLC. to discuss the increases that will need to take place and develop a strategic plan.

11. Walton Law Group, PLLC – Farmers Co-op Oil, Encroachment Agreement

An encroachment agreement for private use of public property, drafted by Walton Law Group, PLLC, for Phase II construction that will take place on property owned by Farmers Co-op Oil of Echo, was reviewed and discussed. After much discussion a motion was made by Randy Johnson and seconded by Dick Ashburn to approve the encroachment agreement with Farmers Co-op Oil of Echo as presented. The motion carried 4 to 0.

12. Schedule Annual Clean-up Review

The date for the blighted property review was tabled until Administrator LeGare is present. Councilmembers Brooke Hebrink and Andy Stauffer agreed to attend the review and will contact Administrator LeGare upon her return to schedule a date for completion.

13. Resolution 02-121 Declaring 617 Harrison Ave as Surplus Property

Resolution 02-121 declaring 617 Harrison Ave as surplus property, a vacant lot in which the city currently owns, was reviewed and discussed. A motion was made by Andy Stauffer and seconded by Brooke Hebrink to approve Resolution 02-121 as presented and grant authority for

Administrator LeGare to work with the buyer to agree on a price for the lot. The motion carried 4 to 0.

11. Adjourn

A motion was made by Dick Ashburn and seconded by Randy Johnson to adjourn the meeting. The motion carried 4 to 0. Meeting was adjourned at 8:23 p.m.

ATTEST:

BY _____
Colette LeGare, City Administrator/Clerk/Treasurer

The City of Sacred Heart is an equal opportunity provider and employer.