

**City Council Regular Meeting
June 10, 2019
Monday 7:00 p.m.**

The regular session of the City Council, City of Sacred Heart, Minnesota was called to order on June 10, 2019 at 7:00 p.m. by Mayor Dan Agre.

City Council Members present were Randy Johnson, Brooke Hebrink, and Dick Ashburn. Also present were Representative Tim Miller, Ron Mortenson from MNDOT, Brian Bollig and Josh Johnson from Bollig Inc., Sara Beavers from Oberloh and Oberloh. LTD., City Administrator/Clerk/Treasurer Colette Santjer, Public Works Supervisor Scott Agre and Liquor Store Brooke Busack. Senator Andrew Lang was present via telephone conference.

1. Approval of Agenda

A motion was made by Brooke Hebrink and seconded by Dick Ashburn to approve the agenda with the addition of July Meeting Change to item 11e under new business. The motion carried 3 to 0.

2. Approval of Minutes

A motion was made by Randy Johnson and seconded by Dick Ashburn to approve the minutes of the May 13, 2019 Regular Meeting. The motion carried 3 to 0.

3. Invoices Payable

A motion was made by Randy Johnson and seconded by Brooke Hebrink to approve the invoices payable as presented. The motion carried 3 to 0.

4. MNDOT Highway 212 Reconstruction – Ron Mortenson from MNDOT

Ron Mortenson was present from MNDOT to discuss the progress of the MNDOT Highway 212 reconstruction plans. Discussion was held on the three Main Street block widths along Highway 212. Representative Tim Miller and Senator Andrew Lang presented several questions for MNDOT. Councilmembers expressed their concerns with the narrowing of the lanes and informed MNDOT that the city does not support the project as planned. The city is also unable to pay their cost share due to the financial burden of the large infrastructure project that is currently finishing up as well as several other upcoming needs including equipment. Plans have been submitted and approved for a ten foot parking lane and a twelve foot driving lane. Discussion was held on financing for the ten percent cost share required of the City including the Local Road Improvement Program.

5. 2018 Audit – Sara Beavers, Dennis E. Oberloh, LTD.

The review of the 2018 Audit was presented by Sara Beavers from the office of Oberloh and 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, 2018. 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, 2018, the unassigned fund balance of the General Fund was at 50.7% of the subsequent year's budgeted expenditures. A motion was made by Dick Ashburn and seconded by Brooke Hebrink to accept the 2018 Audit as presented. The motion carried 3 to 0.

6. Infrastructure Project – Brian Bollig and Josh Johnson from Bollig Inc.

Brian Bollig and Josh Johnson from Bollig Inc. were present to discuss the infrastructure project. Discussion was held on Pay Application #7 and the backwash holding tank status. Discussion was held on the Wastewater and Drinking Water Treatment Plant Project. Demolition of the trickling filter is underway. The next scheduled construction meeting for the Wastewater and Drinking Water Project is scheduled for July 2, 2019. Discussion was held on the possibility of regionalization for drinking water, as well as a reverse osmosis system. After much discussion, a motion was made by Randy Johnson and seconded by Brooke Hebrink to eliminate regionalization and move forward with pursuing a reverse osmosis system at the Water Treatment Plant. The motion carried 3 to 0.

7. Liquor Store Report – Brooke Busack, Manager

Liquor Store Manager Brooke Busack was on hand to give their report to the council. Discussion was held on the progress of the sewer work at the store. Discussion was held on painting that was completed at the store. Busack informed the council that she hopes to re-open the bar only by Tuesday. Discussion was held on Busack's Food Certification status. Busack informed the council that bean bag league has begun despite the construction work. Activities took place outside in a fenced area. Discussion was held on the profit/loss summary for May. A quote from Chappell Central Inc. for an exhaust fan system was reviewed and discussed. A loss of \$20,023.72 was reported for May due to the purchase of a dual auto fry and several maintenance items.

8. Maintenance/Water/Sewer Report – Scott Agre

Public Works Supervisor Scott Agre was on hand to give his report. Discussion was held on the chlorine tanks at the Water Treatment Plant. Agre informed the council that there should be two chlorine tanks so that it can automatically change over when one is empty. Discussion was held on pricing to add an additional tank. Discussion was held on storage for the SO₂ tanks. Discussion was held on a maintenance issue with the Lawn Tractor. Discussion was held on mosquito spraying. Discussion was held with a storm sewer issue at the cemetery. Agre informed the council that the street sweeper will be serviced Thursday.

9. Police Report – Monthly Summary

A monthly summary report was provided to the council from the Renville County Sheriff's Office for review. A total of 43 calls were taken during the month of May. With a total of 151.00 hours patrolled for the month.

10. SHEDA Report – Randy Johnson

Councilmembers Randy Johnson gave the report for S.H.E.D.A. Johnson informed the council that discussion took place regarding an ongoing maintenance list for the apartments. Discussion was held on the annual walk-through of the apartments. Discussion was held on the transferring of the vacant lots and Walton Law Office is currently working on these transfers. Discussion was held on a no smoking policy for the apartments that will be in effect on January 1, 2020. Discussion was held on developing additional rental or housing.

11. Kyle Johnson – Building Permit for Shed at 116 Walnut St E

A building permit application from Kyle Johnson for a shed at 116 Walnut St E. was reviewed and discussed. After much discussion, a motion was made by Randy Johnson and seconded by Dick Ashburn to approve the building permit for Kyle Johnson after confirmation of the materials and size by the Administrator Santjer. The motion carried 3 to 0.

12. GovPayNet Electronic Payment

A contract was reviewed and discussed from GovPayNet for electronic payment services. Administrator Santjer informed the council that there are no initial or ongoing fees for the city. A 2.65% fee is passed along to the resident on each transaction. Administrator Santjer also informed the council that the city will initially offer electronic payment on utilities only. If utility payments go over well, additional fees such as pet licenses, building permits, etc. will be added. After much discussion, a motion was made by Randy Johnson and seconded by Dick Ashburn to approve the contract as presented and begin electronic payment services. The motion carried 3 to 0.

13. Resolution 02-144 – Authorizing and Providing for the Incurrence of Indebtedness for the Purpose of Providing of the Cost of Acquiring, Constructing, Enlarging, Improving and/or Extending its Municipal Government (\$398,000.00)

Resolution 02-144 Authorizing and Providing for the Incurrence of Indebtedness for the Purpose of Providing of the Cost of Acquiring, Constructing, Enlarging, Improving and/or Extending its Municipal Government (\$398,000.00) was reviewed and discussed. A motion was made by Randy Johnson and seconded by Brooke Hebrink to approve Resolution 02-144 as presented. The motion carried 3 to 0.

14. July Meeting Change

Discussion was held on changing to July 15, 2019 allowing time for invoices and financials with the week of July 4th. A motion was made by Brooke Hebrink and seconded by Dick Ashburn to change the regularly scheduled council meeting from July 8, 2019 to July 15, 2019 at 7:00 p.m. The motion carried 3 to 0. The EDA Committee Meeting will also be held on this date at 5:00 p.m.

17. Adjourn

A motion was made by Brooke Hebrink and seconded by Dick Ashburn to adjourn the meeting. The motion carried 4 to 0. Meeting was adjourned at 9:26 p.m.

ATTEST:

BY _____
Colette Santjer, City Administrator/Clerk/Treasurer

The next Regular Council Meeting is scheduled for July 15, 2019 at 7:00 p.m.

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