

CITY COUNCIL PROCEEDINGS
JANUARY 8, 2008

The Bagley City Council met in regular session on January 8, 2008 at 7 p.m. in the Bagley City Council Chambers.

Present were Mayor LuWayne Loiland, Council Members David G. Anderson, Mark Edevold, Karen TeHennepe, John Sutherland and City Clerk Treasurer Colleen R. Lindgren.

Also present were Arvin Teige, Curt Meyer, Keith Kubiak, Darin Halverson, and Frank Beaver.

Motion was made by Edevold to approve the previous meetings minutes. Seconded by TeHennepe, passed unanimously.

Mayor Loiland appointed Karen TeHennepe as Vice Mayor for 2008.

Mayor Loiland appointed Board Chairs as follows:

- Parks & Recreation – TeHennepe
- Liquor Store – Sutherland
- Buildings/Transportation – Anderson
- Roads & Bridges – Edevold
- Public Safety – Mayor Loiland

Motion was made by Edevold to appoint Attorney Ed Rasmussen as City Attorney for 2008. Seconded by Sutherland, passed unanimously.

Motion was made by TeHennepe to appoint Colleen Lindgren as Cemetery Sexton for 2008. Seconded by Sutherland, passed unanimously.

Motion was made by Anderson to appoint Mark Edevold to the Public Utilities Board for 2008 – 2010. Seconded by TeHennepe, passed unanimously.

Motion was made by Anderson to appoint the following people to the Library Board: Anna Larson, Terry Knutson, Shirley B. Beltz, Carmen Collins, and Debbie O'Shea. Seconded by Edevold, passed unanimously.

Motion was made by Sutherland to appoint the following people to the Zoning Commission: Howard Moore, Richard Olson, Richard Davis, David G. Anderson, and Kraig Fontaine. Seconded by TeHennepe, passed unanimously.

Motion was made by Anderson to raise the Utility Commissioners wages, beginning in 2008, to the following: \$1,000 per year and \$50.00 per special meeting. Seconded by TeHennepe, passed unanimously.

Motion was made by Sutherland to sign the 2008 Contract with County Attorney Jeanine Brand to do the City prosecutions of gross misdemeanors and ordinance violations within the City of Bagley. Seconded by Edevold, passed unanimously.

Motion was made by Edevold to pass Resolution #1-08 OFFICIAL NEWSPAPER. Seconded by Sutherland, passed unanimously.

Motion was made by Sutherland to pass Resolution #2-08 OFFICIAL DEPOSITORY. Seconded by Edevold, passed unanimously.

Discussion was held on a Redevelopment Grant application that Economic Developer Al Rasmussen put together. The grant is through the Department of Employment and Economic Development, for the amount of \$185,199.37. This grant would be for the clean up of the soil where Health Services Network is planning on building an Assisted Living Complex. The City must administer the grant and the matching funds would be gotten from Health Services Network. Motion was made by TeHennepe to pass Resolution #3-08

REDEVELOPMENT GRANT APPLICATION. Seconded by Edevold, passed unanimously.

Motion was made by Edevold to approve the 2008 Pawn Shop License for Barb Jesness/Bagley Motor Sports. Seconded by Sutherland, passed unanimously.

Curt Meyer, WSN Engineer, presented to the Council a proposal for Land Survey and Master Planning on the Lake Lomond Park Improvements. Estimated costs are \$4,200 for the Land Survey and \$3,000 for Master Planning. The Master Plan would be for taking the existing plan and making it fit the topography. After discussion, motion was made by TeHennepe to approve doing the land survey at an estimated cost of \$3,000, but to hold off doing the Master Plan until after the Park Planning Board meets again. Seconded by Edevold, passed unanimously.

A billing in the amount of \$1,600.00 was received from Christiansen Industrial Developers, Inc. for work around the present pond in the Industrial Park. There was some erosion around the pond that needed repair. Edevold made the motion to pay Christiansen Industrial Developers for work done in the amount of \$1,600.00. Seconded by Sutherland, passed unanimously.

Motion was made by Sutherland to have the Clerk advertise for gas bids. Seconded by Anderson, passed unanimously.

Department Reports: Liquor Store Manager Ken Moen asked that Councilman Sutherland speak with the Council on the matter of wages. Moen does not feel the raise in wages given to the part-time Clerks, Larson and Arnold, were fair. They were given 25 cents an hour and full-time workers were given 50 cents an hour. Moen had told Sutherland that if there was nothing more the Council could give them, that he would give up half of his raise to them, meaning 13 cents to Larson and 12 cents to Arnold. After discussion, motion was made by Sutherland to reduce Moens wages by 25 cents and raise Larsons wages by 13 cents and Arnolds by 12 cents. Seconded by Edevold, passed unanimously.

Al Rasmussen was present to ask the Council for a gaming permit for the Clearwater County Agriculture Society to sell calendars for funds for the Clearwater County Fair. Motion to approve the permit was made by Anderson. Seconded by Sutherland, passed unanimously. This activity brings in around \$9,000 per year.

Police Department: Chief Halverson asked for permission to sign a three year lease with Sutton Ford for a squad car. Cost of the car is \$23,881, with a lease amount of \$8,523.50 per year with a \$1.00 buyout. Motion was made by Sutherland to approve the purchase of one squad car using the 3-year lease. Seconded by Anderson, passed unanimously.

Halverson asked permission to attend two classes being held in Bemidji on Feb. 19-21, at the BCA Lab. Cost is \$180 for the two classes. Motion to approve was made by Anderson. Seconded by TeHennepe, passed unanimously.

Clerk stated that the Pound Master is now using the Explorer for the picking up of animals, and asked if the Council would want to sell the 1985 Dodge Ram that he has been using. The truck has a short box on it and it may sell better if put over e-bay instead of just advertising locally. Teige stated that he also has a 1983 Ranger, without a title and could be sold for salvage, that he would like to see sold. Motion was made by Edevold to advertise both trucks locally and the 1985 Dodge Ram also on e-bay. Seconded by Sutherland, passed unanimously.

Halverson stated that he has not hired any part-time help yet due to background checks are backlogged.

Roads & Bridges: Superintendent Teige brought the Councils attention to a letter received from JP Structures, Inc., concerning the south entrance of Kubiak's Grocery Store. The drive over curb is steeper than what they had thought it would be and the semi trucks are having a few problems with the roughness. There isn't much trouble now with the snow being packed, but Kubiak feels there may be in the spring. Kubiak did want it on record that he did speak to the Council on this so that something gets done in the spring if needed.

Engineer Meyer spoke about the curb and how MN DOT wants them to be. WSN will look into the entrance, come spring, along with Mary Johnson's.

Teige brought before the Council two quotes on a snowplow truck. They are as follows: Boyer Ford Trucks - \$125,086 and Wallwork Truck Center - \$118,317.24. Motion was made by Edevold to approve the purchase of a truck from Wallwork Truck Center. Seconded by Sutherland, passed unanimously.

New Beacon will be put in at the airport this week. Fergus Electric will be doing the work. 454 loads of snow have been hauled out of town so far this year.

Frank Beaver, Public Utilities Manager. This Thursday the sub-station should be hooked up. Modifications will be started in the water plant. His article in the newspaper on chemicals is getting some interest. Mayor Loiland complimented Beaver on the article about him in the MMUA newspaper.

Clerk informed the Council that she and Street Superintendent Teige worked with Mike Karvacko, Karvacko Engineering out of Bemidji, on the Airport CIP report. The following items were put in the report: For 2008-Arrival/Departure Building and pave the entrance road. For 2009-Tractor with mower and Automated Weather Station. For 2010-Aviation Gas Facility and Crack Sealing. For 2011- a used Snowplow truck. There was no cost to the City for this service.

A letter was received from the MN Dept. of Health, granting the City an extension on the Well Head Protection Plan to December 19, 2009.

Clerk reported that Randy Aumock had contacted her about purchasing the 40-foot easement, or part of it, between his home on Lomond Drive and Prairie Street. He has been cleaning up the easement so the grass is not so tall. Clerk has contacted County Assessor Grover and her cost assessment of the 40 feet is between \$1,770 and \$1,800. Mayor Loiland stated that the area is not big enough to build on. The total area is 130 feet, 40-foot easement, 50-foot road, and another 40-foot easement. Council members were asked to look at the area and put the subject on the agenda for the next regular Council meeting.

A letter was received from the Clearwater County Historical Society seeking nominations for the 2008 Clearwater County "First Lady."

A Contract for Services between the Headwaters Regional Development Commission and the City of Bagley was gone over. Previous contract between the two had an hourly cost of \$40.00 per hour and the new contract is for \$55.00 per hour. Motion to approve was made by Edevold. Seconded by Sutherland, passed unanimously.

A billing in the amount of \$970.00 for October through December 2007 services has been received from HRDC. Motion to approve payment was made by Anderson. Seconded by TeHennepe, passed unanimously.

Mayor asked Keith Kubiak if he had any other concerns in the area of his new store. Kubiak would like to see a reduction of speed limit in the area. There have been a few close calls in the area. Engineer Meyer said that letters of concern need to be written to DOT.

A bid has been received from Francis Floral for the hanging flower baskets. Cost is \$46.50 per basket, which is an increase of \$1.50 per basket over last year. Motion was made by Anderson to approve the purchase of 55 hanging baskets from Francis Floral in the amount of \$2,557.50. Seconded by Edevold, passed unanimously.

Motion was made by Edevold to approve payment of the outstanding bills. Seconded by Anderson, passed unanimously.

Committee Reports: Parks & Recreation. TeHennepe asked Teige if anything had been done yet on an outdoor skating rink at the ball fields. Teige stated that the area had been plowed but the ground was not frozen due to the warm temperatures. There is also an issue on where to get the water.

Buildings & Transportation. Councilman Anderson informed the Council that a few people have told him that they have ridden the “green bus” and have said it is nice and the price seems right.

Mayor Loiland reported that two weeks earlier there was a DOT survey crew on the north end of town. He addressed himself and asked what they were doing because they don’t usually go out surveying for fun. They stated there may be a cut in dollars and they might be looking at some smaller jobs to do. Bagley may get pushed up to this summer. Loiland feels that some issues for the City should be looked at such as curb, gutter, lights and sidewalk. He will be setting up a meeting with them very soon.

Being there was no further business to be discussed, motion to adjourn was made by Anderson. Seconded by Edevold, passed unanimously.

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

**CITY COUNCIL PROCEEDINGS
FEBRUARY 12, 2008**

The Bagley City Council met in regular session on February 12, 2008 at 7 p.m. in the City Council Chambers.

Present were Mayor LuWayne Loiland, Council Members John Sutherland, Mark Edevold, Karen TeHennepe, David G. Anderson, and Clerk Treasurer Colleen R. Lindgren.

Also present were Al Rasmussen, Darin Halverson, Sunny Dorn, Ali and Terry Johnson, Ken Moen, Frank Beaver, Tiffany Fettig and Pastor Gary Fry.

Motion was made by Edevold to approve the minutes of the past meeting as read. Seconded by Sutherland, passed unanimously.

Mayor Loiland called upon Tiffany Fettig, from HRDC. Fettig brought a recommendation to the Board concerning the application for Revolving Loan Funds, from Ali & Terry Johnson and Sunny Dorn – Nevaeh & Associates, LLC. Johnson and Dorn are seeking to purchase the Villages of Bagley and convert the facility to an assisted living plus. The Council is being asked to approve a \$55,000 loan using the Federal Revolving Loan Funds. Term to be 10years/20 year amortization. Interest rate will be set at 0% for 24 months and then 4% for the remaining 96 months. Payments to be \$310.00 for 24 months, then P&I payments of \$310.00 for the remaining 8 years of the loan. An appraisal is needed yet and a written statement from their bank. Edevold asked if the project would be increasing employment. Dorn informed the Council that they will be hiring 15 to 20 Home Health Aids, LPN's and kitchen staff. The facility will house 19 residents to begin with, plus the independent living ones. Fettig stated that the projections look very conservative and the cash flow looks good. Motion was made by Edevold to approve the loan of \$55,000 to Nevaeh & Associates, with the above stipulations, contingent that all conditions are met to Fettig's specifications. Seconded by TeHennepe, passed unanimously. Fettig stated that the use of federal dollars would go towards the purchase of the building.

Clerk was instructed to open the bids received for gas at the pumps.

Marty Brothers, Inc. – 10 cents per gallon above cost.

Bagley Co-Op Association – 5 cents per gallon above cost.

Motion was made by Edevold to accept the bid of Bagley Co-Op Association. Seconded by Anderson, passed unanimously.

Clerk was instructed to open the bids for the vehicles up for sale:

Bids for the Ford Ranger were as follows: Larry Peterson-\$205.00; Gerhard Johnson-\$117.00; Shawn Ysen-\$102.92; David Anderson-\$257.00.

Bids for the 1985 Dodge pickup were as follows: Rodney Johnson-\$355.00; Shawn Ysen-\$527.94; Stanley Ronning-\$237.00; Eugene Schuartz-\$508.00; Randy Hetland-\$545.00; Dean Knutson-\$311.00; David Anderson-\$1,354.40; and LeRoy LaFontaine-\$350.00.

Motion was made by TeHennepe to accept the bid of \$1,354.40 from David Anderson for the 1985 Dodge pickup. Seconded by Edevold, passed unanimously.

Motion was made by TeHennepe to accept the bid of \$257.00 from David Anderson for the salvage Ford pickup. Seconded by Sutherland, passed unanimously. Edevold asked that the minutes reflect that Councilman David G. Anderson was not the bidder on these vehicles.

Motion was made by Anderson to pass Resolution #4-08 AMERICAN LEGION POST #16 GAMBLING LICENCE. Seconded by Sutherland, passed unanimously.

Motion was made by Sutherland to pass Resolution #5-08 A RESOLUTION APPOINTING THE COMMISSIONER TO THE BAGLEY HOUSING & REDEVELOPMENT AUTHORITY. Person to be appointed is Arlene Milton. Seconded by Edevold, passed unanimously.

Department Reports: Liquor Store-Ken Moen. Moen stated that the Liquor Store gross over last year was up 4½%. Wine sales were up the highest ever at 17%. Overall 2007 was better than it has been for a while. So far the year is even between profits and expenses.

Police Department: Chief Darin Halverson. Two part-time officers have been decided upon. They are Ryan Rilely from Bemidji and Dustin Thorson from Bagley. They will start work on February 16th if needed. Also, Dany Ekre has asked about a raise in pay. When he first took on the position of Pound Master, he had stated that he wanted to see a cost of living raise when the New Year started. When he was first hired he had met with then Police Chief Steve Haugen, Sheriff Mike Erickson, and Clerk Lindgren. Lindgren stated that the fact had never come up during budget time, so it was overlooked. Motion was made by Edevold to give Ekre a 25 cents per hour raise. Seconded by TeHennepe, passed unanimously.

Anderson asked the Chief about what people are to do about barking dogs. He has gotten complaints and said he would report it to the Chief. Sutherland stated that there may be an issue with a vest for Officer Podhradsky, who is on the Swat Team.

Clerk informed the Council that the recent Police Vehicle that had been totaled out was covered by Replacement Coverage, not just repair cost. The insurance adjuster had told her that another check should be coming to the City.

Public Utilities - Frank Beaver. It was discussed at the Public Utilities Commissioners meeting on how best to utilize his services as an Engineer. He handed out a Memorandum Of Understanding that the Chairman of the Utilities Board has signed off on. Memorandum will become a part of these minutes. Memorandum states "The BPU Commission and the Bagley City Council agree to retain Frank Beaver, dba GeoDynamics Inc., to design and provide plans, specifications, and estimated cost for the: 2008 Bagley Industrial Park Water and Sewer Expansion Project by March 31, 2008. Beaver's services would be charged at \$100.00 per hour plus expenses. The contract also states that this business arrangement does not constitute a conflict of interest for any party involved. Attached to the memorandum was a cost estimate for the Industrial Park Project. Total project estimate is \$52,236.48. Edevold asked if the Council would like to hear some thoughts from the Commission. Edevold stated that Beaver has a Civil Engineers License and there is a potential of using his services, which are above what the Public Utilities needs. It has not been discussed in depth by the Utilities Commission, but they feel it is a good compromise to utilize his services on a case-by-case basis, on small projects. By signing the memorandum, the City and Public Utilities are not obligated to keep him doing this. He would also inspect projects during his hours of working for the Public Utilities.

Mayor Loiland stated he sees a lot of good things by doing this. He has never asked what another Engineer gets on an hourly rate. Beaver stated that other Engineers charge between \$300 to \$500 per hour. This includes company profit, which is large, benefits and basically whatever the company can get. Edevold stated they feel this is an ideal size of project for Beaver to work on. TeHennepe asked if this would be done outside of Utilities Managers time. Edevold agreed it would. TeHennepe asked about the Manager's Job description, one has not been seen. Edevold stated that other job descriptions have not been seen either. TeHennepe agreed. Clerk stated that Vicky Fletcher had shown the Memorandum to City Attorney Rasmussen and he had stated he saw no problem with it. Fletcher and Lindgren both wondered about a conflict of interest. TeHennepe also wondered about that. Edevold stated that most engineers estimate about 10% of the job as their cost, and Beaver has estimated about 3 to 5%. Beaver stated that a conflict of interest should be declared. Mayor Loiland does not see a conflict due to Beaver is being hired outside his regular job. Edevold stated that was also the opinion of the Commissioners. He also wanted to stress this was a one time trial case, and it is not a long time agreement. TeHennepe stated that being Beaver is the Utility manager; he should have the best interest of the city in mind when doing this. Also the City Attorney has looked at it, but the League of MN Cities should also look at the area of conflict of interest.

Mayor Loiland personally would like to move forward with the memorandum. Edevold made the motion that the Council approves the Memorandum of Understanding with Frank Beaver for the Industrial Park Project. Seconded by Anderson, passed unanimously.

Beaver explained what has been installed in the Industrial Park already. There are three ways which the utilities could be done to get to Gary Cater's property. Engineer's cost estimate is \$52,236.46. Beaver got estimates from 2 places for materials. Gary Cater was asked for a price for labor of installation, and excavation. He thought it would take ten days to do the work. Easements will need to be done on the lots. City Attorney Rasmussen could take care of this area. Edevold stated that this is just an estimate and that the project would need to go out on bids. Clerk will set up a meeting with the BIDC, due to the property being under the BIDC's name and they should give approval on the project. Anderson made the motion to proceed with the project, according to Beaver's and the Public Utilities' recommendations, pending approval of the BIDC Board and get easements done by Attorney Rasmussen. Seconded by Sutherland, passed unanimously.

Beaver also reported that he is looking into the Safety Training that the P.U. and City gets through MMUA, because he is not satisfied with it. Cable TV is in limbo. Faith Lutheran Church is now broadcasting their services over cable. Beaver questioned what the Council wants him to do about streetlights. The City buys the lights and the Utilities Dept. maintains them. Cost is \$1,500 per light. A number of the lights need to be replaced. The poles that are presently along Hwy. 92 could be put in the Kastner Division.

Mayor Loiland stated that he had met with MNDOT and a meeting has been set up for February 28th at 11 a.m. at the City Garage. Mayor stated that he had told them the curb & gutter

has to be repaired plus other work needs to be done. Beaver stated that the water main on Main Street needs to be replaced due to its size, sewer can be relined, but he also feels the street lights should be put back against the buildings. This would help with plowing and with incidents where they have been hit by vehicles. The sag in the highway by the City Park will be looked into and the safety of kids walking to and from school on the highway.

City Hall-Clerk Colleen Lindgren. Lindgren asked for permission to attend the MCFOA Conference in Alexandria on March 12-14th. Conference cost is \$220.00, which includes meals. Motion was made by TeHennepe to approve the Clerk attending the conference. Seconded by Sutherland, passed unanimously.

Clerk asked permission to send City Bookkeeper Faye Jacobs to a training session, titled The Outstanding Receptionist, in Bemidji on April 29th. Motion was made by TeHennepe to approve sending Jacobs to this training. Seconded by Sutherland, passed unanimously.

Clerk went over the end of the year reports. All Departments did well on their budgets. The only one that went over was the Zoning Commission due to a lot of meetings being held on projects. Clerk recommended the following transfer of 2007 funds be made:

1. Transfer from liquor store checking to liquor store savings of capital outlay funds: \$13,825.00
2. City Hall – put \$10,000 towards recodification of ordinances. Put \$565.97 to Zoning to balance out their budget. Put \$4,485.23 towards Economic Development.
3. Fire Department - \$1,926.85 transfer to Fire Truck Account.
4. Police Department - \$13,808.33 – put into car fund.
5. Roads & Bridges - \$20,135.14 – put into 2010 Street project.
6. Parks & Recreation - \$2,155.22 – put into park upgrades fund.
7. Cemetery - \$3,919.88 – put into cemetery improvement funds.
8. Zoning – Receive \$565.97 from City Hall to balance budget.
9. Airports - \$4,888.57 – keep for airport projects.
10. Economic Development - \$15,872.22 – put into economic development fund.

Clerk's recommendation for the Designation of 2007 funds is as follows:

Historical structure upkeep - \$1,000

Fireworks funds - \$1,011.84

VFW donation for vets stone repairs - \$1,500.00

Ball field Complex funds - \$4,620.44

Fire Dept. truck account - \$30,908.14

Cemetery improvement funds - \$25,075.78

Roads & Bridges truck account \$55,447.50

Revolving Loan Fund #1 - \$97,062.19

Revolving Loan Fund #2 - \$230,829.99

Revolving Loan Fund #3 - \$32,663.99

Beautification footbridge fund - \$1,950.00

Water truck fund - \$4,000.00

Industrial Park fund - \$64,107.70

D.A.R.E. - \$552.32

2007 Street Project - \$97,220.60

Park Project - \$10,000.00

Park & Recreation Upgrade Funds - \$15,435.02

Economic Development funds - \$25,675.77

Police Dept. Handicap entrance - \$8,000.00

Demolition of old City garage - \$2,000.00

Recodification of City Ordinances - \$10,000.00

Police Dept. Car fund - \$13,808.33

2010 Street Project - \$20,135.14

Airport Projects - \$4,888.57

Discussion was held on the buyout of the Police Dept. car lease, instead of reserving the funds. Nothing was done at this time due to a final payment on the squad car has not been received yet.

Motion was made by Edevold to approve the Clerk's recommendations on transfer of funds. Seconded by TeHennepe, passed unanimously.

Motion was made by Edevold to approve the Designation of the 2007 funds. Seconded by Anderson, passed unanimously.

Clerk read a letter to the Council, from Nancy Larson who is a lobbyist for the Coalition of Greater Minnesota Cities, thanking them for joining the group.

Mayor Loiland brought to the Council information on a Legislation Action Day of the Coalition of Greater MN Cities, which will be held on Feb. 20th in St. Paul. Cost is \$30.00 for the event. Councilman Edevold is interested in going. Motion was made by Sutherland to authorize Edevold to attend if he is able too. Seconded by TeHennepe, passed unanimously.

Mayor Loiland asked that the Clerk begin work on the recodification of the City Ordinances to get them updated. Council members agreed this needs to get done so the ordinances are more up to date.

Discussion was again held on the property on Lomond Drive. Clerk was asked to get a map together for the Council and bring to the next meeting.

A letter was received from Don and Pat Foster concerning 4 – 25 foot lots they own in Groven's Addition. They are offering it to the City for \$1,500. or best offer. Clerk had explained to Foster what the zoning in the area is and that the Council may be interested, due to the land being in the wellhead protection area. The area cannot be used for Residential. Edevold stated that the area is so low, that the City may not want anything to go in that area. Motion was made by Edevold to offer \$1,000 for the property to Fosters. Seconded by Sutherland, passed unanimously. Edevold stated he would speak to the Utilities Commission to see if they would go 50/50 on the purchase. Clerk was instructed to write a letter to Foster on this.

The Northwest MN Foundation is holding four training sessions in the near future. If members are interested in attending, the Mayor asked them to speak to the Clerk.

Discussion was held on the MN Sesquicentennial and if the Council wanted to do something in the way of celebration. Clerk had given some information to members on flags and other materials. The Chamber of Commerce has talked about purchasing some flags. Mayor stated he feels the Council should step forward and earmark some dollars to celebrate the event. Clerk was instructed to speak with Charlene Olson to see what they are planning and if the County is planning anything. Council was in agreement that up to \$1,500 could be spent.

Clerk informed the Council that the Bagley Industrial Development Corporation (BIDC) has met and signed a lease agreement with the company for the tower being put in the Industrial Park.

Motion was made by Anderson to approve payment of bills as listed. Seconded by Edevold, passed unanimously.

Committee Reports. Parks & Recreation-TeHennepe. TeHennepe made the motion to advertise for the Park Attendant position. Seconded by Sutherland, passed unanimously.

Clerk reported that Laurie Kramka, HRDC, has mailed a draft letter to the Clerk for the approval of the Council. Letter is to get the formal process going with the DNR, to get the Council on the list for a fishing pier for the City Park. Edevold stated it just puts the DNR on alert as to the City wanting to do this at some point. Motion was made by Edevold to have the Mayor sign the letter. Seconded by TeHennepe, passed unanimously.

Motion was made by TeHennepe to put an ad in the Grand Forks Herald for advertising of the Park. Cost of the ad is \$65.00. Seconded by Edevold, passed unanimously.

Edevold gave a report on the January 22nd Park Board Meeting.

Pastor Gary Fry questioned as to what happened to the skating rink that was to be made at the ball fields on the south end of town. Mayor explained what happened when the area was flooded. He would like to approach the fair board on flooding the sheep barn.

Being there was no further business to come before the Council, motion to adjourn was made by Edevold. Seconded by Anderson, passed unanimously.

LuWayne Loiland, Mayor
ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer
Mr26c

BAGLEY CITY COUNCIL PROCEEDINGS
MARCH 11, 2008

The Bagley City Council met in regular session on March 11, 2008 at 8 p.m. in the City Council Chambers.

Present were Mayor LuWayne Loiland, Council Members John Sutherland, David G. Anderson, Mark Edevold, Karen TeHennepe, and Clerk Treasurer Colleen R. Lindgren.

Also present were Cassandra Johnson-Blackbird, Malotte Backer, Charlene Olson, Arvin Teige, Darin Halverson, Larry Peterson, Frank Beaver, Allen Potvin, and David Drown.

Motion was made by Sutherland to approve the minutes of the previous meeting. Seconded by Edevold, passed unanimously.

Malotte Backer was present on behalf of the Art In The Park Committee. A letter of support was being sought in order for the group to get a grant from the Region II Arts Council, to help with costs of the event. Motion was made by Anderson to waive the cost of two park shelters, electricity, and the use of barriers for the July 26th event. Seconded by Sutherland, passed unanimously.

Charlene Olson was present to speak on the Sesquicentennial Celebration being held in the City during July. A parade, sponsored by the Chamber, will be held on Sat. July 5th. They would like to use the same route as in past parades. Motion was made by TeHennepe to approve a parade permit for July 5th. Seconded by Edevold, passed unanimously. The Firemen will let off fireworks on Friday, July 4th. Marty and Guy Schermerhorn have asked permission to set up an area in the City Park on July 5th for a Jam Session to begin after the parade and then their band to begin at 7 and go to 11. Their musical group is called Ticket To Music. Schermerhorns liked the idea of being near the lake and so they suggested blocking off the road going to the beach and this is where they could set up and have dancing. Along with this, the Chamber is wondering if the American Legion could set up a beer garden in the park also. Manager is going to speak with the Legion Board. The Kubiak parking lot was also spoken about. Clerk stated that all shelters have been rented out so the shelters are not available. Mayor said that he had spoken with Schermerhorns, and if they are going to have their sound system out for the jam sessions, maybe it could be used also for the parade. Mayor asked if the Council would want to approve the bands in the park along with the beer garden or find other arrangements. Mayor also stated that the Fair Board has a portable stage and that may be available. Sutherland commented that there is a rule that no liquor is to be allowed on the beach. TeHennepe stated she has a concern for the campers, if the music were to go past 10 p.m. and concerns on having a beer garden in the park. She wants to see the garden fenced off due to liquor being around and patrolling of the area. Most people might enjoy the music and such but there are still concerns for the campers. Olson asked if 10:30 would be OK, because it will take the band a while to leave also. TeHennepe stated that the people don't always leave on time either and she still has the concern on how the area would be controlled. Mayor still feels that it should be held because it is something that may only happen once every 150 years and that the people that have already made reservations will need to be contacted so they know what is going to be happening and give them the option on if they would like to move their camping spot to another section of the park. TeHennepe stated that it is a public park and there is a concern about extra law enforcement because of the drinking. Olson stated that she has spoken to Sheriff Erickson and did not seem to have any major concerns. TeHennepe stated that he is County, and it will be a lot of extra time for City Officers. Mayor Loiland stated that he had spoken to both Sheriff Erickson and Chief Halvorson and they were very open to the idea. Edevold stated that Bagley needs to try new ideas, but TeHennepes concerns are legitimist. The law enforcement angle is critical but neighboring towns have gotten out of hand at functions like this. If it is done right it should work. Olson said that if it does rain, the Legion would probably be a back up place to go. The majority of Chamber members would like to try it. The beer garden must be in a controlled environment. TeHennepe stated there was also the area of cleanup; help will be needed the following day. Mayor asked if there was a consensus to go ahead with the event, pending more information is brought back to the Council at the next meeting. Clerk stated that she had spoken to the Cities Insurance Agent Eidsmoe, who in turn had spoken to the League of MN Cities Insurance Co. Their only

concern is that whoever puts on the beer garden on have high limits of insurance, and the area be fenced and controlled by law enforcement. The Legion must also apply for a Temporary License if they are to have the beer tent. Edevold stated that he would like to see more information brought back to the Council at their next regular meeting.

Cassandra Johnson-Blackbird, who works for the Sexual Assault Program, was present to speak with the Council about a Proclamation for April being proclaimed as SEXUAL ASSAULT AWARENESS MONTH. Clearwater County is covered by their group. Motion was made by Edevold to have Mayor Loiland sign the proclamation. Seconded by TeHennepe, passed unanimously.

David Drown, Drown & Associates, was present to speak with the Council on Tax Increment Financing. A letter, which was written to the Council, Clerk, and Allen Potvin was discussed. The letter covered what the City would agree to and what the Developer should agree to as Proposed Terms in a Development Agreement for the Assisted Living Project TIF District. Drown feels that a 15-year agreement is the best to go by. It should be looked at as a tax rebate. The next step is to decide how the TIF is to be used. In the agreement Potvin agrees to give receipts for the project to the City, he agrees to build the project and so forth. At one time Drown was questioned on the interest rate. Edevold stated that it is better to present it to the public with an interest rate on it. Drown was asked what the next step is that the council should take. He feels that the Council is now comfortable with what has been decided and that a formal Development Agreement will now be drawn up. Mayor asked Potvin if he would like to speak with the Council. Potvin stated that he would like to have a few more years on the agreement but he understands the Councils wishes. There is potential competition in the area and he would like more time. Edevold feels that the competition argument goes the other way also. He is open to the 15 years agreement but he would really like to see 10 years. Mayor stated that Edevold has a legitimate concern. Motion was made by Edevold to move forward with a Developers agreement using 6.25% for \$220,000 for a total of 15 years. Seconded by TeHennepe, passed unanimously.

Motion was made by TeHennepe to approve Resolution #6-08 PERA POLICE OFFICER DECLARATION. Seconded by Sutherland, passed unanimously.

Motion was made by Sutherland to send Department Heads to a Safety & Loss Control workshop in Crookston on March 25. Seconded by Edevold, passed unanimously.

Department Reports: Zoning – A meeting will be held on March 19th concerning the proposed tower going into the Industrial Park. A lease on the property has not been received yet from Global Tower.

Roads & Bridges: Teige. The truck, which the Street Dept. received from the Fire Dept., is just about ready to be put on the road. The Sentence to Serve Group resealed the walls and floor in the Library basement.

Public Utilities: Frank Beaver. Draft Plans for the Industrial Park project were brought before the Council. Beaver had brought the plans to the BIDC and they passed a motion to have the City do the work in the Industrial Park. Beaver explained the map to the Council and where easements are needed. Easements would be to take 15 feet off each side of the lots. A 30-foot loop around the outside would be needed for the electrical. Estimated engineers cost for the project is \$52,000. Motion was made by Anderson to accept the Engineer Plans for the Industrial Park Project. Seconded by Edevold, passed unanimously. TeHennepe made the motion for Beaver to get the easements done with City Attorney Ed Rasmussen. Seconded by Sutherland, passed unanimously. Motion was made by Edevold for Beaver to prepare the bids for the Industrial Part Project. Seconded by Sutherland, passed unanimously. Clerk asked Beaver to explain to the Council on the BIDC's idea to expand the lines a little further in the lots. This could also be put in the bids and if the left over bond dollars are not enough, the BIDC has funds that they would put in on the project.

City Hall – Clerk Lindgren. Clerk informed the Council that the additional amount on the damaged squad car has been received. The property located on the south edge of the City that the Council put an offer on, has been sold to a private individual.

There will be a Legislative Conference for Cities in St. Paul on April 9 & 10. No Council Member is able to go at this time. Edevold reported on his trip to St Paul to meet with members of the Coalition of Greater MN Cities. He feels this is a very good group to belong to and they are very professional.

A letter was received from the NMPA stating that they are doing some refinancing of bonds and being the City is a member of NMPA the Council must sign off on the papers. Motion was made by Edevold to approve having the Mayor and Clerk sign off on their certificate. Seconded by Anderson, passed unanimously.

Motion was made by Anderson to approve the 2008 Beer License for the Bowl Inn. Seconded by Edevold, passed unanimously.

Motion was made by Edevold to extend the meeting until 9:30 p.m. Seconded by TeHennepe, passed unanimously.

Motion was made by TeHennepe to approve the agreement with the League of Minnesota Cities/American Legal Publishing, for performing the editorial and publishing of the codification project on the City Ordinance books. Base price is \$8,750, which is based upon the number of pages that are presently in the books, which is 350. 10% down is required upon acceptance of agreement. Seconded by Sutherland, passed unanimously.

Union Officer Larry Peterson was called upon to speak on the Law Enforcement Contracting. Peterson stated that not enough information was received so he feels it is not the proper time to speak on this.

Discussion was held on the lot sale on Lomond Drive. Attorney Rasmussen told the Clerk that the road was vacated when the property was owned by Donna Neujahr and had never been put back on the books as not vacated. There are no special assessments on the lot. Rasmussen would like to see the lot kept to be for sale and feels the road is not needed. Clerk was instructed to work with the Attorney to keep the road open. Neighbors will be offered the property on each side of the road, to see if they want to purchase it.

Clerk stated that she had a call on the City owned lots in the Kastner Subdivision. Someone is looking to build a home in the area. Edevold stated that he would hate to see the City price out Cliff Kastner, because the City owned lots do not have the special assessments on them. Edevold and Mayor Loiland will work on this for the next Council meeting.

Motion was made by TeHennepe to approve payment of the outstanding bills. Seconded by Sutherland, passed unanimously.

Committee Reports: Parks & Recreation. Closing date for receiving applications for the Park Attendant job is April 1st. So far two applications have been received. Mayor Loiland stated that when reservations are taken in the City Park during July 4th, they should be told that there might be a celebration in the park that weekend.

Public Safety-Mayor Loiland. On February 19th Mayor Loiland met with County Commissioners on the Law Enforcement Consolidations and at that time a meeting was set up between Council Member TeHennepe, Chief Halvorson, and Sheriff Erickson, and County Commissioners Hayes and Nelson to talk about consolidation. There are a lot of issues to work through in the discussions of combining the departments. A special meeting was set for March 25th at 4 p.m., between the Council and the Police Department Officers. Officer Peterson stated that the Officers have some concerns as employees.

Mayor Loiland reported on a meeting with MNDOT on proposed project for 2009. DOT is planning on milling the middle 24 feet of road and do nothing else. Teige, Mayor Loiland, Beaver, and Danielson voiced other concerns to MNDOT. More discussion is needed in the future. Teige stated he would like to push hard to get sidewalks going to the high school.

Being there was no further business to come before the Council, motion to adjourn was made by Anderson. Seconded by Edevold, passed unanimously.

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
MARCH 25, 2008

The Bagley City Council met in special session on March 25, 2008 at 4 p.m. in the City Council Chambers. Present were Mayor LuWayne Loiland, Council Members Karen TeHennepe, Mark Edevold, John Sutherland, David G. Anderson, and Clerk Treasurer Colleen R. Lindgren.

Also present were Police Chief Darin Halverson, Officers Larry Peterson and Paul Podhradsky.

Mayor Loiland asked for comments on the idea of consolidation of the Law Enforcement of the City and County.

Chief Halverson gave concerns of his and his Officers. Their main concern is job security. After the last Committee meeting that was held, Halverson and Sheriff Erickson were asked to meet with the union rep for the Officers. The Sheriff was asked about the Officers jobs and he had stated that there was no guarantee for the officers, only Halverson. Later on he retracted that also and said there was no guarantee for Halverson either because it was up to the County Commissioners. Sheriff also spoke about his part-timers and that the jobs would have to be posted in house first. If the County did hire the Bagley Officers, they would be on probation first. During probation, they could also be fired by the County. Seniority is another issue, but may find away to handle this.

TeHennepe asked Halverson to go back to the part about posting the jobs in house. What did the Union Rep. say on this. The Rep. said that being it is posted, Halverson is not guaranteed a job either. TeHennepe thought this should be checked into. Mayor Loiland feels the Council has a lot to say on who goes where. This is speculation on his part. Halverson stated that the Officers are uneasy on whether they will or will not have a job if the consolidations go through. While running for Sheriff, Halverson said that Erickson had stated that the Bagley Officers would have nothing to worry about. Mayor stated that he understands completely. What is needed to be hashed out is seniority, guarantee of jobs, probation and years of service count for something.

Halverson feels that the City will be giving up their control on the running of the Officers. Erickson has also agreed that the City would have reduced coverage. Halverson said the County could have 24 hour coverage now with the number of officers they have, without depending on the City Officers. City Citizens are saying it is a done deal and Erickson has said the Council is all on board with the consolidation. Mayor stated that nothing has been talked about, only a committee meeting.

The Sheriffs Office would cover calls in the City during the day but they would not actually have a car in town all day patrolling. Halverson had contacted other agencies and they are not happy with consolidation. One Beltrami Officer had told him that it is not worth it to do. It is not a bad idea to look at it but does not feel it is worth it.

Officer Peterson stated that he has had people that want to move into the area, ask him about the Law Enforcement in the area. The Cities three Officers have always worked hard to make a good department. Mayor Loiland stated that he wants to look at consolidation to see if it is a good idea or not. Everything the Council finds out and knows will be shared with Chief Halverson and he is to bring it back to the Officers. It is very important for the Officers to understand that.

Halverson stated that it is just frustrating for all of them to hear it on the street and comments in meeting that he doesn't know for sure if they are true or not. Podhradsky said he feels that the law enforcement in the City, should be handled by the Council and the City Officers, not the County. If there are citizens that come to the Council with complaints, then the Council must run it through Erickson and he must then take care of it.

Edevold feels that everyone needs to take a step back and ask why we are doing this and hear all the pros and cons. He is not interested in the "if". This has been dabbled with for 3 years and he never says never, but he would very hard pressed to find a reason to close down the City department and consolidate. Mayor Loiland appreciated his comments as long as everything is put on the table. The Officers are going to hear a lot of stuff in the public, but it is not coming from the Council unless they hear it directly from them. Until the Council knows what they want, there is nothing settled.

Podhradsky asked what does the Council want changed in the Law Enforcement so that the Officers can adjust to it and change. Mayor stated that it is possible that after it is studied that Officers may not be needed on Sundays at all. Mayor said that was just an example.

TeHennepe also said that during the Truth In Taxation Hearings, people come in to complain. One of their main complaints was the Police Department and the Council needs to explore it and let the public know why they did what they did. It is not the intention of the Councils for anyone to lose their jobs.

Mayor Loiland went over the reports that Halverson had given the Council. Average investigation takes 56 minutes. There is a lot of good things in the report but the part-timer had quite a few investigation hours, but aren't they more for fill in and traffic patrol? Halverson stated that it all depends what happens on their shift. They have to take care of what happens. They have to run with it when something happens and not leave it for the next day for the full-time officer.

Edevold feels that the Council needs to get to, sooner rather than later, a sense of finality before this goes on too long. It has been too destructive, and the Officers have been on pins and needles not knowing what is going on day to day. The Council needs to do diligent discussion on the pros and cons and come up with a decision, does the City truly pursue contracting or keep the Police Department? Edevold would support the decision to keep the Police Department because we have a good one. If there are management issues, budget issues, and coverage issues, those need to be resolved with the department heads through the Council. He feels those can not be negotiated in saying "well we don't like what you are doing so we might contract". Mayor Loiland said that is not the way it has never been said. Edevold feels that that is what he is hearing from the Mayor. Mayor told him he is wrong and wants it proven to him that it would not be a cost savings, and services may be cut, but where and which ones is not known. He would like to figure that out before fingers are pointed at him. Edevold asked him what the proposal is and what he is talking about. Mayor stated he is ready to listen to everybody's comments, figure it out, and see what everyone is worried about losing. The benefit he sees is one person in charge and not trying to fit everyone's schedule to make sure something is covered. Why do you need two Chiefs, such as Sheriff and Police Chief or whoever. Edevold stated that the Chief is answerable to the Council and the other one is by an outside group. Halvorson agreed with the one person in charge in each area. Mayor asked if the group didn't think that the Sheriff would have their concerns in mind. Officer Peterson stated that the Sheriff has all the other towns concerns and the whole county. The City has only their concerns in mind, not a whole large area. Chief Halverson stated that Law Enforcement is not popular with the people until they need an Officer.

Edevold said that when all is said and done, from the taxpayers perspective it is all about money. The only savings is by reduction in services. You will get a whole different group of the public in when the advertising comes that the City has reduced police protection. Podhradsky stated that the public does not realize how much the Police Department does.

Sutherland stated that the County Officers are "reactive" officers for Shevlin nor proactive. Mayor Loiland said he would argue that because we have the luxury of a Sheriffs Office right in town. Halvorson stated that Erickson has said that there will not be a car to patrol in the City. Mayor said that the Committee has not gotten to that point yet of what the Council wants. Edevold stated that Erickson will provide for whatever services the City is willing to pay for not what we ask for. What we need and what we want if of no consequence. It is what the City will pay for. Mayor said that if the Council puts in they want, for example, 2000 hours of patrolling and it cost such and such dollars, that what we will get.

Discussion was held on coverage in the City and the County and response time.

Mayor stated that if the Council could save \$15,000 with just conversations between the people and get a format going that would be great. Peterson stated that people want to see what they are paying for, and if they don't see an Officer patrolling, they are not going to want to pay their taxes. Mayor would like to see the Council come up with an answer why they are doing what they are doing.

Sutherland stated that at the beginning he thought they were looking at the money factor. At one time it was said to be \$80,000 per officer. Mayor said that was to cover the cars and everything and what it that number came in at \$60,000. Numbers are unknown. TeHennepe said that Erickson said it would not be nothing less than \$80,000 but it would depend on what the Council wants. Halvorson stated that was with a 40 hour week. Mayor said it would be hard for the County to come up with a number until the City says what they want. It is easy for them to through out any number. Podhradsky asked about going to the County Committee and saying that the City wants their three officers hired. Peterson would like to see a counter offer know what will happen to the City Officers.

Anderson stated that he would not support anything that does not hire the three city officers. Halverson said that Erickson could not and would not say he was hiring the three officers. He would like to see a motion on a counter off of keeping the three officers, wages, seniority, and it would go smoother if the Officers knew they will have their jobs. Mayor said the Council needs to stay open through the whole thing and people may not agree with everything said. He really thinks the city could look at 2 ½ people. There is enough part-time people in the County that could take care of the 3rd person. He wants to think through things. Sutherland said that when the talking was first started, the fact was that the City did not want anyone to lose their job. Edevold stated that one year ago, the challenge was made to the new Chief to make things work. Halverson has done a fine job and he has saved money by having three Officers instead of four. Edevold feels this is a dead issue. Mayor disagreed on it being a dead issue. Edevold feels it will make poor relations, they should set the contracting aside and work with the PD to make it better. Mayor agreed that the group is supporting them, but Edevold argued the talk on contracting is not supporting them. Mayor stated that the discussion on contracting has nothing to do with it. Podhradsky questioned the area on 2 ½ people. Mayor explained that he thought if the City pays for 2 ½ Officers the County would pick up the other half.

Edevold said that in essence, the City would lose all their Officers. They will no longer be City Officers or a City Department. They will be County Deputy and City would need to put in the contract that they are City Deputies. TeHennepe stated that Erickson cannot guarantee that Podhradsky will be put in the City. Erickson cannot guarantee jobs. Halvorson stated that there would be less destruction if Officers knew they had a job. Podhradsky said that people are more comfortable knowing there is a squad car going around the City.

Mayor asked that for the sake of moving on the Council needs to decide what to do. Is someone comfortable telling the County we are not going to lose any of our Officers? Or drop patrol miles? Peterson asked how you put a price on patrol miles. Mayor feels that the City can keep their services and let the Committee do the work and bring it to the Council as a whole. Podhradsky asked if the Council would be comfortable losing their law enforcement. Mayor wants to know if the Council wants to move forward and get their questions addressed? Peterson wants to address the probation issues.

Edevold feels the Council would be losing control and he would like the Council to deal with issues and not the County. Edevold made the motion to discontinue the discussions on contracting, and no authorizing of continuation of discussions, and to maintain the Police Department as it has been. Seconded by Anderson, passed unanimously. Mayor Loiland asked for discussion. The Mayor said he totally disagreed with the motion. He is not trying to cut jobs, but he thinks that it could improve the County patrolling and have longer hours at all times. Edevold understands the Mayor but the Council is elected by the people of Bagley to serve the people of Bagley and he has no problems with the County, but he wants to focus on the cities issues and our problems. Anderson said it is a piece of mind seeing our officers in town and it is not worth it to save a little money. Mayor would like to see how much or how little amount of money is saved. He does not disagree with what was said. TeHennepe stated that she does not disagree with what Edevold or Anderson said, however she does think to say to the County what their list is and if they say absolutely not, that would be closing the book once and for all. She would like to go forth with discussion and if they can't do it, then no more discussion. Anderson does not want to see it dragged on for nine months. Mayor still argued that the three officers would not be lost. Sutherland said the budget is now down \$6,000 and is it worth getting rid of the officers or should discussion be held with the County on the wage area. Mayor said that the Committee is not at that point yet. It could be asked that this is where our sit and where do they sit on your scale. Mayor feels that Edevolds motion is premature. All members appreciate what the officers do and the Council has a duty to find out for sure if this is the right thing to do.

TeHennepe stated that going back to the larger department being cut, and everything that Halverson has been asked to do have been met. Personally she is not in favor of a combination of departments, but she feels it is a duty to explore it. She can not see the County agreeing to the concerns addressed. Mayor stated that all have agreed that three officers are needed but maybe there are hours that could be cut. TeHennepe stated that all concerns must be specific and if what the City wants is not in the contract then this is not what is wanted by the City. Mayor said that a committee could be put together to ride things through. TeHennepe stated that one of the concerns is hiring of the Officers, the County Commissioners would be doing the hiring. Her concern is that the City would not be able to keep our officers.

Mayor Loiland stated there is a motion on the floor. He asked Edevold if he would like to amend his motion. Edevold did not. Voting for the motion: Anderson, Sutherland, Edevold. Against: TeHennepe.

Mayor Loiland asked if it was a conflict of interest for Sutherland to vote being he works for the County. Sutherland agreed that he did work for the County. Edevold wants it to reflect in the minutes that the Mayor did not ask this question until after he lost the vote and the appropriate time to bring up his concern on a conflict of interest would be before the vote was taken. Sutherland feels that the whole thing has been gone through. It should have been discussed more before the committee got together. Mayor said it was open discussion, no decisions. TeHennepe stated they went to committee for information. She understands why they voted as they did and she feels a responsibility to explore the possibilities. She also felt that the Sheriff had already made up his mind and had ideas. Mayor, Halvorson and herself had gone in very open minded. It was unfortunate that Peterson was told he may not have a job. There was to be no discussion because it was confidential until things could be brought back to the Council. This is her view point and her intentions. She wants to work on the PR and relationships. Edevold stated that this whole contracting thing has been hanging over their heads. Mayor disagreed with Edevold. TeHennepe agreed with Edevold and there were changes in the departments that held things up. Edevold stated that a proper vote has been taken and recorded and the Mayor can do what he wants. The laying on the acuzation of a conflict does not nullify the vote. It is still a valid and proper vote.

Sutherland agreed there have been conflicts and areas where people can't get along but they must be worked out. Mayor stated this is probably why the issue should be looked at. Peterson stated he was offended by the saying that the Law Enforcement can't get along and wants that on the record. TeHennepe stated that publicly the Council has stated their confidence in the Officers. Anderson stated that the Council is not voting against the Officers. Mayor stated there is nothing personal going on here against the officers, the Council is doing their job. It may not get done right but that's OK. Edevold reminded the Mayor that the Council has done their job by voting on the issue and a majority vote was taken.

Motion carried.

Mayor stated that he has learned that if someone has a conflict of interest, they are to bring it forward. They are to make it public. Sutherland stated that many times he has said that he works for the County. Everybody knows that. Edevold stated that not one person here does not know that Sutherland works for the County. Hidden conflict is the real conflict.

Motion to adjourn was made by Edevold. Seconded by TeHennepe, passed unanimously.

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS

APRIL 8, 2008

The Bagley City Council met in regular session on April 8, 2008 at 7 p.m. in the City Council Chambers.

Present were Mayor LuWayne Loiland, Council Members David G. Anderson, Mark Edevold and Clerk Treasurer Colleen R. Lindgren. Members John Sutherland and Karen TeHennepe were absent.

Also present were Al Rasmussen, Tom Burford, Chief Darin Halverson, Bonnie Engen, Ken Franzen, Howard Moore, Robyn Beaulieu, Stephanie Olson, and Arvin Teige.

Motion was made by Edevold to approve the minutes of March 11th and 25th as read. Seconded by Anderson, passed unanimously.

Bonnie Engen, representing the Clearwater County Nursing Service, was present to speak with the Council on the designation of a walking path. They are working on a project called "Spring into Fitness" which promotes walking. Engen is asking that a walking path be marked in the City park or on some road that could be used.

(Council Member TeHennepe entered at 7:06)

The walking path would be promoted through Public Health. Mayor Loiland suggested a path starting at the park parking lot, up to the hospital and back down to Hwy 92 and then into the City park again. Engen spoke about trying to do a community walk soon. Street Superintendent Teige will be asked to get some signs made and mark the area off. Zoning Administrator Moore said that if any signs were put on Hwy 92 they would need to be put off the right of way. Motion was made by Edevold to establish a walking trail and approve up to \$200 for the making of the signs. Seconded by TeHennepe passed unanimously. Engen said there might be some dollars in the Wellness Fund through Public Health. Mayor Loiland asked that Ms. Engen write a letter of support to the MN DOT on concerns for sidewalks along Hwy 92 going to the High School. This could help with the City getting funded.

Tom Burford was present on behalf of the Bagley Chamber. A map was handed out showing where the Chamber would like to locate the stage for the July 5th music in the park and the beer garden area. They would like to see the south entry gate locked or blocked off so cars cannot get in the area. Chamber is paying for the music. TeHennepe questioned the beer garden. It needs to be roped or fenced off. The Legion will be in charge of the beer garden. Clerk stated that a Temporary Beer License application still needs to be received from the Legion. The music will start after the parade, and dance will begin at 7 p.m. The Police and Sheriff's Departments will do policing of the area. TeHennepe asked about the possibility of the Chambers doing the cleanup after the dance and beer garden, or who is responsible. Her concern is for the families camping, being it is one of the biggest camping weekends. Burford stated he will bring it up at the next Chamber meeting. As for the location of the beer garden, he was asked to move the beer garden to the lakeside instead of next to the camping, and snow fence would be the best to have around the beer garden. Motion was made by TeHennepe to approve the July 5th celebration to take place in the Bagley City Park, with a designated location for the beer garden pending temporary liquor license application and insurance certificate is received and the Chamber should do cleanup. Seconded by Anderson, passed unanimously.

Zoning Administrator Howard Moore brought to the Council an application for a Variance put in by Global Towers, to construct a tower in the Bagley Industrial Park. The Zoning Board has approved the Variance and is now asking the Council for their approval. A Variance is needed due to the height of the tower, which makes it too close to property lines. Ken Franzen, representative for Global Towers, was present to explain the project. Motion to approve the Variance was made by TeHennepe, seconded by Anderson, passed unanimously.

Motion was made by Edevold to pass Resolution #7-08 PERA POLICE OFFICER DECLARATION. Seconded by TeHennepe, passed unanimously.

Motion was made by Anderson to pass Resolution #8-08 ACCEPTANCE OF DONATION. Seconded by Edevold, passed unanimously.

Utilities Manager Frank Beaver brought before the Council Resolution #9-08, concerning the vacating of Bagley Avenue SW from Water Plant Drive SW to 6th Street SW. This street runs on each side along the water plant. He believes there are only two landowners along the road besides City property that would be involved. The Public Utilities Commission wants to put a dike around the water plant. Motion was made by Edevold to approve Resolution #9-08 CALLING A PUBLIC HEARING TO VACATE A STREET. The Public Hearing is proposed for May 13 at 6:45 p.m. in the City Council Chambers. Seconded by TeHennepe, passed unanimously. After discussion, Edevold amended his motion to change the time to 6:30 p.m. instead of 6:45 p.m. Seconded by Anderson, passed unanimously.

Realtor Stephanie Olson was present to speak with the Council about a garage, which is encroaching on Geary Ave. right of way by 4 feet more or less. The property is located at 203 Brown Street Northeast. Street Superintendent Teige said there are no utilities close to the garage. Beaver stated that there have been some water problems in the area that may have to be taken care of. After discussion, motion was made by Edevold to have the City Attorney write up an easement allowing the garage to stay where it is at, there will be no future expansion on the garage, if the building needs to be torn down they must follow the zoning ordinance, and in the event that the road would need to be repaired or rebuilt the building cannot stand in the way. Seconded by TeHennepe, passed unanimously.

Department Reports – Liquor Store. Profits for the month are over 50% better than what they were at this time last year.

Police Department, Chief Darin Halverson. Halverson has one vehicle in the impound that he would like to put up for bids when the County does theirs. Money received for the vehicle would go into the DARE fund. Edevold made the motion to allow Halverson to put the vehicle up for bids during the County auction. Seconded by Anderson, passed unanimously.

Fire Department – Clerk read a letter from Lake Itasca Region Pioneer Farmers. The City Fire Department has a 1954 Ford Fire Truck that they no longer use and the Pioneer Farmers are asking if the City would consider transferring the truck unit to the LIRPF, either in the form of a loan, or a donation. The Firemen discussed the letter at their Main Meeting and they do not want to give up ownership of the truck. Firemen voted to loan it to LIRPF but not sell it. The truck is used during parades and special events. The firemen did say that if the LIRPF wants to house the truck and use during their parades that was fine but when the Firemen needed it the LIRPF would need to bring it back to the City. TeHennepe asked if the City insurance would cover if anything were to happen and the truck was being housed in Itasca. Edevold does not like the idea of loaning the vehicle; he would rather have it donated. Clerk was asked to check into the insurance on the vehicle and where would it be stored. Teige stated that he had spoken to the LIRPF and they would store it in one of their buildings and take good care of it. Bilden will check on their insurance also. Edevold stated that if the Pioneer Farmers want the vehicle, they should own it. If the Firemen want to keep it, it should be kept.

Roads & Bridges: Teige. The truck is about finished and ready to get on the road. On Willberg Avenue there has been some freezing of lines. WSN is looking into it and will come back to the Council with recommendations. Teige asked if the Council wants to start working on the arrival/departure building at the City Airport. The City budget has \$25,000 in it, but the estimated cost for the building and the tarring of the entrance road comes to an amount of about \$125,000. The state grants program is a 80/20% cost share. For insurance reasons, the grant would not cover the building if it were connected to an existing building, not owned by the City. Teige was asked to look into the building further and bring more information to the Council at their next regular meeting.

Public Utilities-Frank Beaver. Beaver reported on the Spencer Ave. Project. When the project was done, four feet of the top of the road was taken off. He feels this is why the water is freezing. He thinks the problem is WSN's, not the City's. He thinks the design was poor and he told WSN that the roads were shallow.

Industrial Park plans should be done next week, and they will include two options.

City Hall-Colleen Lindgren, Clerk. Lindgren informed the Council that she has met with Jim Klobuchar to work with him on bringing his bicycle group to the City on June 18 & 19. Up to 120 people will be with the group. They will be staying in the City Park on June 18, the shower facilities at the high school will be used, Faith Lutheran Church Youth Group will be putting on the breakfast for the 19th, and tentatively the American Legion is being looked into for the supper on the 18th. Clerk took Klobuchar around the City to get his mapping done for the bikers. If the Legion Auditorium is unavailable, Clerk asked if it would be possible to cater the dinner in the City Park and also get a temporary liquor license from the Legion for the dinner only. Final details will be brought to the Council in May.

Motion was made by Anderson to approve the 2008 Fire Contracts. Seconded by TeHennepe, passed unanimously.

The City received a letter from the Department of Employment and Economic Development denying the Redevelopment Grant application recently put in. Al Rasmussen said he will resubmit the application in August of 2008.

Discussion was held on the property with the road in it on Lomond Drive. City Attorney thinks the Council should keep it as a sellable lot but there is no paper work to be done if the road is left as is. Lengthy discussion was held on whether or not to sell the property on either side of the road. The road is 50 feet wide, which is plenty wide. There are no utilities on either side of it. Zoning Administrator Moore spoke on behalf of the zoning. He would hate to see anything that does not match the houses such as pole sheds going up in the area. The land proposed to be sold is not big enough for a home. He is speaking on behalf of the people in the area to keep the area looking good. Mayor Loiland does not feel that a pole barn would be built, or if anything would be built, but that is unknown. Edevold stated that the Zoning Ordinance needs to be looked into further. Mayor asked if the Council wants to gather more information. Edevold would like to put off the sale and work more on the zoning ordinance. Motion was made by Anderson to table the matter for now. Seconded by TeHennepe, passed unanimously.

Motion was made by Edevold to approve payment of the outstanding bills. Seconded by Anderson, passed unanimously.

Committee Reports: Parks & Recreation – TeHennepe. Applications for park attendant have been received. Motion was made by Edevold to authorize Council Member TeHennepe to do the interviews and hiring of a park attendant and park cleaners. Seconded by Anderson, passed unanimously.

Mayor Loiland would like to attend the Mayors Conference in Alexandria on May 2 & 3. Motion was made by Anderson to allow Mayor Loiland to attend the conference with expenses paid. Seconded by Edevold, passed unanimously.

Discussion was held on keeping the beach bathhouse open during the summer months for special events.

Mayor Loiland questioned the shelter located at the old ball field in the City Park. Teige explained that he had turned the water off in the fall, but this winter it was reported that there was water coming out the window. Somehow the water got turned back on, froze up and broke the pipes in the building. The building proceeded to fill with water over the winter, froze and cracked the building. The City Insurance agent has been contacted and looked at by him. City will need to wait until the ice thaws to see how much damage has been done.

Being there was no further business to come before the Council, motion to adjourn was made by Anderson. Seconded by TeHennepe, passed unanimously.

LuWayne Loiland, Mayor
ATTEST:
Colleen R. Lindgren, CMC
City Clerk Treasurer
My28c

BAGLEY CITY COUNCIL
PUBLIC HEARING
MAY 13, 2008

The Bagley City Council held a Public Hearing on May 13, 2008 at 6:30 p.m. in the City Council Chambers.

Present were Mayor LuWayne Loiland, Council Members David G. Anderson, Mark Edevold, John Sutherland, Clerk Treasurer Colleen R. Lindgren, and Frank Beaver.

Mayor Loiland called upon Frank Beaver, Public Utilities Manager to describe why the Public Utilities wants to vacate part of Bagley Avenue Southwest. Beaver described the project as being a security issue. They want to put a dike around the Water Plant to protect it. They want to keep people away from the plant. There are no other buildings in the area and they would like to start the building of the dike this summer. Flooding in the area is low but there is a chance it could flood. By closing the road they could use this as fill. There will be a fence on the dike.

Mayor does not agree that the whole road needs to be closed off. Someone can still build a commercial building, but they will be without sewer and water. He feels to eliminate access to the lots isn't good either. Beaver stated that a good dike could not be built without closing the front. Edevold stated that he is not sure if the City wants anything built in the area. Mayor Loiland stated there is water down in the area and the sewer is shallow, he has no problem with the dike but would like to see the area be accessalbe from the south. Edevold asked if he would like to see the dike shortened up? Mayor just feels there would be no access to those properties if the road was completely closed off. Edevold would rather not see anything built in the area. Mayor is still for the dike but not as large an area. Edevolds concern is if the City allowed someone to build and then got flooded out.

Sutherland asked how high the fence would be? Beaver stated that the fence might be from six feet down to three feet.

Edevold stated that the road could be abandoned from Water Plant Drive to 5th Street. Mayor asked if there is a way to block it off and still use the road. Edevold asked Beaver how many feet from Water Plant Drive to the south would be needed? Beaver thinks 200 feet would be an acceptable compromise. Mayor thinks it would be easier to leave the road in place. Beaver was asked to check into the feet needed so the Council had a closer figure at the Council meeting.

Mayor Loiland closed the Public Hearing at 6:55 p.m.

Mayor Loiland opened the regular City Council meeting at 7 p.m. on May 13th.

Present were Mayor LuWayne Loiland, Council Members David G. Anderson, John Sutherland, Mark Edevold, Karen TeHennepe, and Clerk Treasurer Colleen R. Lindgren.

Also present were Police Chief Darin Halverson, Mike Karvacko, Fern Aamodt, Jimmie and Lucille Nelson, Pastor and Mrs. Gary Fry, Debra Rush, Dianne Nowacki, Pastor Don Winters , Curt Nygaard and Arnie Teige.

Motion was made by Edevold to approve the minutes of the April 8th City Council Meeting. Seconded by TeHennepe, passed unanimously.

Lucille Nelson was the spokesperson for a number of City/County residents who put in a petition against the beer garden to be held in the Bagley City Park on July 5th. Nelson stated that the park is used by many. The group is concerned about the noise issue, safety issue and other concerns. The Celebration is a wonderful idea, but there are people with small children, teenagers and who don't drink, who think this is not a good idea. The ones who want to drink only have to walk about 1 ½ blocks to partake. She said that the Mayor said that beer and dancing go together. Mayor Loiland corrected Nelson, stating that he said there are people who think dancing and beer go together. Everyone has their own opinion on such and he stated that he will stand by it being a fun event. It had been discussed earlier with Law Enforcement. He appreciates the group coming to the Council and expressing their concerns.

Councilman Anderson stated that the area will be fenced off from everyone else and the people can only consume the beer in the fenced off area. There will be police enforcement at the area also. Other concerns heard were how will people get home if they are intoxicated? One lady was concerned for her grandchildren, others felt that this event would be encouraging alcohol through the City and the Park could become dangerous. Some felt there is a problem with alcohol in Bagley now and this will enhance it.

Mayor stated he personally does not feel that alcohol use will be enhanced by this event. It will be controlled to the best that the City can. Edevold stated that he thinks what is lacking in many respects, is the good examples of responsible/socialable consumption. He agreed with the Mayor that there are some groups that want to try something different and he is inclined to allow this one time to see if it works, and if it doesn't they probably won't get the chance again.

Nelson stated that the goal is to have a good celebration, the goal is not to see if alcohol can be controlled in the park. Mayor said that the City will be doing the best they can to make it a good celebration.

Mrs. Fry asked why the Council wants to promote alcohol? She knows personally the devastation it can cause. She feels that Bagley is a wonderful City to live in and she is very concerned about this. Mayor said the Council has a lot on their plate and if any member of the Council feels strongly about it, they should speak up or move on. D. Nowacki asked if the Mayor took into consideration how many names were on the Petition. He stated that he did but there are also a lot of names on the list. He understands what they are saying but this kind of event may not happen every year.

Jimmie Nelson stated that the Park has made a reputation for itself and there are many people who like to come here but why take the chance of ruining it with a beer garden. Mayor again stated that the Council appreciates their concerns and they understand them.

Pastor Fry stated he loves to come to the Council meetings because he learns a lot about the City. He feels the Council is doing a wonderful job in so many different areas. He does not agree with everything they do. His suggestion is that the Council rescind the motion to have the beer garden. Some of the Ministerial Members are not happy with it. Fern Aamodt read a letter from Pastor Lyle Tweite.

Mayor Loiland thanked the people for coming. He asked if there were any motions from the Council. Sutherland stated that he was not at the last Council meeting, so he asked if there were going to be full time Police Officers at the dance. He was assured there would be. Edevold stated that there is a group that wants to try something new, they have met the requirements and he feels they should be given a chance. Dance will be open to all ages.

Motion was made by Anderson to approve a Temporary Liquor License for the Bagley American Legion on July 5th, to hold a Beer Garden in the Bagley City Park. Seconded by TeHennepe, passed unanimously.

Clerk informed the Council that she had been contacted by a lady who would like to put a snow cone stand in the City Park during July 4th and 5th or for two weeks, which ever the City Council would allow. Clerk stated that she has spoken to the Cities Insurance Agent, and if she has liability insurance that would cover the City, it would be OK. Past practices was that if you allowed one person to have a stand, you must open it up to others as well. She will be camping in the park and would also rent a spot to put the stand, if possible. Edevold stated that it might not be a bad thing to have for that weekend only. Mayor Loiland suggested that a fee be charged for allowing the stands to come in. After discussion, Council decided to table the matter and bring it back to the Council at their next regular meeting. There may be more vendors that would like to put their stands in the park during this time, so word will be put out that if someone wants to do this, they should put their name into a Council Member or the City Clerk. Edevold stated that if the Council considers it for one, they need to consider it for others. Curt Nygaard also asked about the 4-H Clubs selling ice cream in the park on Sundays. Discussion will be held again at the next Council meeting.

Nygaard asked permission to hold a raffle for the 4-H Shooting Sports. Drawing will be held on the last day of the County Fair. Anderson made the motion to approve the gambling license for the Shooting Sports. Seconded by TeHennepe, passed unanimously.

Mark Karvakko, Karvakko Engineering, was present to speak with the Council entrance road. Option #1 on the A/D Building (base bid): \$76,900. Option #2 (base bid plus specialty finishes and furniture): \$83,100. Paved entrance road: \$54,800. State funding is 80% and City 20%. Councilman Edevold questioned the Architecture/Engineer costs of \$9,500 on a 20X20 building. He feels this is awful high. Karvakko explained what was included in those costs. Discussion was held on the septic system used in the project. Summary of both projects (assuming Option #1 on A/D Building): State funding - \$105,360; Local funding - \$26,340 for a total project of \$131,700. Mayor Loiland stated

that at the last meeting he thought the Council felt it very important to carry through with this project.

Street Superintendent Teige stated that there are two good sites for the building. Sites are one to the east of the present buildings and one to the north. The project would be publicly bid due to it being over the \$50,000 range. He also said that he feels a holding tank would be fine instead of a whole septic system. The project must be bid and done by stated codes due to federal funding. Edevold stated that he is hanging hard on the \$9,500 fee on a 20X20 box. Feels this is too excessive. Edevold asked what the time period is. Karvakko stated that to do the bidding on the paving would be best done as soon as possible. The building could be bid later but must be done this year to get federal funding this year. Edevold would like to see the matter tabled until the next regular council meeting. Mayor stated the matter to be tabled.

Troy Jesness was present to speak with the Council about the City Ordinance #157 concerning ATV's and Golf Carts in city limits. UTV's are recognized by the state as road use if approved by the City. He feels the City is small enough to allow these vehicles. None of these vehicles are allowed to drive on Hwy 92 & 2. Chief Halvorson stated that there have not been any problems within the City so far with these vehicles. Mayor Loiland likes the Ordinance but does not feel they have to have a permit accept for a valed drivers license. Halvorson stated that all these vehicles must be licensed and have insurance. Chief Halvorson, Councilman Sutherland, and Jesness will work together on the Ordinance and bring back to the Council at their next regular meeting.

Motion was made by TeHennepe to approve Resolution #10-08 ACCEPTANCE OF DONATION. Seconded by Edevold, passed unanimously.

Motion was made by Anderson to approve Resolution #11-08 ACCEPTANCE OF DONATION. Seconded by Edevold, passed unanimously.

Discussion was held on the earlier Public Hearing. Utilities Manager Beaver stated that from the center of Water Plant Drive to 6th Street is 1100 feet and it is 700 feet to 5th Street. It would be over 500 feet to get south of the wells. After discussion, motion was made by Edevold to have the City Attorney draw up an order to vacate that part of Bagley Avenue Southwest from the centerline of Waterplant Drive Southwest south for a distance of 500 feet. Seconded by Sutherland, passed unanimously.

Clerk was instructed to open bids on a seized vehicle that the Police Dept. advertised.
Johns Recycling - \$201.00
David Anderson - \$276.01
Rudy Wilcowski - \$325.00

Motion was made by Anderson to accept the high bid of Rudy Wilcowski for \$325.00. Seconded by TeHennepe, passed unanimously.

Department Reports: Street Superintendent-Arvin Teige. He asked permission to advertise for bids the 1972 truck which is no longer needed. Motion to do so was made by Edevold. Seconded by Anderson, passed unanimously. The new City truck is almost

done. City park is up and running and crews are doing spring clean up. Motion was made by TeHennepe to advertise May as Tree and Branch clean up. Seconded by Anderson, passed unanimously.

Public Utilities – Beaver. There have been soon problems with the contract for Channel 11. There may be an option to contract with Garden Valley for the channel. Edevold stated that the Public Utilities Commissioners have approved to go the Garden Valley route but will be checking more with the Channel 11 lawyers.

Beaver stated that the Industrial Park Project plans have been completed, with two options to bid on. He showed the plans to the Council and it is ready to be advertised. Motion was made by Edevold for Beaver to advertise the project. Seconded by Sutherland, passed unanimously.

Edevold read a letter from Utilities Commissioner Al Lindahl, who has put in his resignation from the Board. He stated that he has spoken to different area residents, and Doug Lindgren has expressed an interest in being on the board. The Utilities Board Members regrettably accepted his resignation and is asking for the Councils acceptance. Mayor Loiland stated that he has had several people inquire about the Utilities Board. He would like to see a notice put out on it. Edevold agreed that it may be short a Commissioner for one meeting. Council appoints the Commissioners, not the Utilities Board. Motion was made by Anderson to accept Al Lindahl's resignation as of July 1st so that advertising can be done. Seconded by TeHennepe, passed unanimously.

Clerk brought before the Council a bill from GeoDynamics Inc, Engineer Frank Beaver for half the work he has done on the Industrial Park Project. Bill is for \$1,500. Motion was made by Sutherland to approve payment of the bill, pending receipt of Insurance Certificate. Seconded by Edevold, passed unanimously.

Police Department: Chief Darin Halverson asked permission to hire Shane Auginaush as a part-time Police Officer, when needed. One of the previous Part-time Officers has quit. Motion to approve was made by Anderson. Seconded by Sutherland, passed unanimously.

Fire Department – Clerk informed the Council that she had looked into the fact of letting the Pioneer Farmers store and show the 1954 Fire Truck at their events building. There is no problem with the insurance company. Motion was made by Anderson to loan the truck to the Lake Itasca Region Pioneer Farmers, but they must bring it back to the Fire Hall when the Firemen need it for a Parade. Seconded by TeHennepe, passed unanimously. Teige will speak with Bob Bilden, who is on the Pioneer Farmers Board.

Mayor Loiland stated that a check should be coming soon from Bagley Rotary as a donation to the Fire Works fund, in the amount of \$500.00. Discussion was held on the July 4th Fireworks display. Motion was made by Anderson to raise the amount spent from \$3,500 up to \$5,000. Seconded by Edevold, passed unanimously.

City Hall – Colleen Lindgren, Clerk. Clerk stated that she has been working with AC Water to do the Amendment to the Well Head Protection Plan. They will be coming to the Council soon.

A Wine Tasting event is being planned by the Chamber Members, to raise funds for the July 4th Fireworks. This event will be held at the S&K Bar and Grill, which Kathy Crandall has donated the space for. Event will be held on June 25th from 5 p.m. to 8 p.m.

Discussion was held on the property clean up issue along Prairie Lane. Landowners have told the Clerk that they would be willing to keep the area mowed for \$20.00 per month, each. Motion was made by TeHennepe to approve paying the \$20.00 per month for May – September for 2008. Seconded by Sutherland, passed unanimously.

City Auditors have asked that a joint meeting be held between the City Council and the Public Utilities Board. Meeting will be held on June 24th at 6 p.m. in the City Council Chambers.

Motion was made by Edevold to approve Mayor Loiland to sign the Lease Agreement with Wallwork Financial Corp. for the new Street Department truck. Seconded by TeHennepe, passed unanimously.

Edevold stated that a Park Task Force meeting was recently held. The Task Force will be formerly asking the Council for a new park board ordinance at the next regular Council meeting.

The League of MN Cities 2008 Annual Conference & Marketplace will be held in Rochester on June 11-13. No members will be able to attend.

Motion was made by TeHennepe to approve payment of the outstanding bills. Seconded by Sutherland, passed unanimously.

Committee Reports: Teige reported that the Walking Path is up for people to use.

TeHennepe reported that the park is up and running. She would like to make the motion to hire Wayne and Rhonda Netland as Park Attendants, Shelly Sorenson as Substitute, and Joan Gray and Muriel Ranisate as Park Cleaners. Seconded by Anderson, passed unanimously.

Mayor Loiland handed out a letter written by Bonnie Engen, Clearwater County Nursing Service, in support of sidewalks along Highway 92 North. Letter was sent to MN DOT.

Being there was no further business to come before the Council, motion to adjourn was made by TeHennepe. Seconded by Sutherland, passed unanimously.

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

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CITY COUNCIL PROCEEDINGS
JUNE 10, 2008

The Bagley City Council met in regular session on June 10, 2008 at 7 PM in the City Council Chambers.

Present were Mayor LuWayne Loiland, Council Members John Sutherland, Mark Edevold, Karen TeHennepe, and Clerk Treasurer Colleen R. Lindgren. Member David G. Anderson was absent.

Also present were Jerry, Natalie and Desirae Olson, Chief Darren Halverson, Jackie Merschman, Howard Moore, Jeanine Brand, Ken Moen, Troy Jesness, Al Rasmussen, and Arvin Teige.

Motion was made by Edevold to approve the reading of the Council Minutes of May 13, 2008. Seconded by Sutherland, passed unanimously.

Discussion was held on a proposed Amendment to Ordinance #157 concerning golf carts and ATV's being driven in the City limits. Clerk stated that Attorney Rasmussen said the Amendment looked fine. Mayor Loiland stated that he had spoken with Police Chief Halverson, and he the Mayor would personally like to see the Ordinance dissolved. He feels that any new comers coming into town and not understanding the Ord., it would just be another thing to look out for. If people run their cart or ATV where they are not suppose to, they are in violation of State Law so they can still get a ticket. Edevold stated that if the Chief is comfortable with the State Law then it is OK to dissolve the Ordinance. Sutherland asked the Chief his opinion. Chief Halvorson stated that it has not been a real big issue. People must still have a driver's license to use the vehicles anywhere off their property. Edevold made the motion to dissolution Ordinance #157 Relating to the operation of motorized golf carts and all terrain vehicles on the city streets of the City of Bagley effective immediately following the Clerk checking into the posting of notice that this may be done by Resolution. Clerk is to advertise that people must have a valid drivers license and they must follow State Laws. Seconded by Sutherland, passed unanimously.

Motion was made by TeHennepe to approve the July 5th parade permit as put in by Charlene Olson. Seconded by Sutherland, passed unanimously.

Clerk informed the Council that she had not been contacted by anyone wanting to put any kind of food stands in the park over July 4th except the Legion and the Snow Cone stand. Curt Nygaard had asked about having an ice-cream stand in the park on a scheduled date. This is being done at Long Lake Park Campground and seems to go over well. It is the 4-H families that do the work and they have a schedule that they follow, as for dates and time of day. Motion was made by TeHennepe to allow the 4-H groups to have an ice cream tent in the City Park on a regular schedule. Seconded by Edevold, passed unanimously.

Clerk stated she has gotten the insurance papers for the Snow Cone stand. Mayor stated he likes the idea and Edevold agreed. No one else has asked to have a stand and they were given the opportunity. Edevold made the motion to allow Amanda Grover to have the stand in the City Park for two weeks and to run it from a rented campsite. Seconded by Sutherland, passed unanimously.

The American Legion has asked if they could grill at the beer tent, before and during the beer tent opening. Clerk stated they had asked if the tent could be open early, due to the fact they needed to rent a tent for the event, which cost \$250.00. Motion was made by Edevold to allow the Legion to grill in the tent, to start anytime before the parade. Seconded by TeHennepe, passed unanimously.

Discussion was held on a time to allow the Beer Tent to be open. The parade should be done by 3 or 3:30. Edevold thought that 5 p.m. would be a good time. Sutherland thought more in the area of 7 p.m. due to the drinking. Clerk stated that the Legion Manager asked about 6 p.m. and the dance begins at 7 p.m. Other music begins earlier. Motion was made by Edevold to open the

beer tent for alcohol sales at 6 p.m. and end at 11 p.m. Seconded by TeHennepe, passed unanimously.

Jackie Merschman was present on behalf of the Lake Lomond Task Force. Merschman explained the beginning of the group. Public Meetings have been held. The concept plan of the park was explained. Lots of discussion and ideas have been heard. When and how things should be done was heard. Money will dictate what can be done. There are many changes from activity areas, to fishing docks to a multi-purpose building containing a Library, City Hall and Senior Center. A lot of discussion was held on where things should be located and how they thought things should be done. She stated again that this is just a concept plan and nothing has been put in a blueprint. This year they would like to see some changes in the improvements in the beach area, which is less costly to do. There have been a lot of comments from people who would like to see the beach area as it was many years ago. The task force would like to see a Park Board established. The task force has divided into different groups for each project; Wendy LaRoque and Karen TeHennepe are on the task group for the beach area. Jeanine Brand has been active in pursuing ideas for the Multi-use building, which is an option that some people like and some people do not. Again, Merschman stated that this is just a concept plan and they are hoping to be able to bring together as much as possible of the plan. Task Force is looking into funding options. Task Force realizes that they must look for a coordinator for the project because it is going to take a lot of work to achieve this plan or something like it. It has been fun doing the project. She asked if the City has any plans on what they are looking into such as beach expansion or lifeguards. The area right now is confined and needs sprucing up. The Clerk reported that there is an Ordinance on the books establishing a Park Board but it is very old and needs updating. It only has three members on the board. Edevold stated that they don't want a board too large, but you need it large enough to get community involvement. He thought maybe 5 to 7 people. The board would be established and then have committees under them. TeHennepe stated that the Ordinance was for Parks and Recreation, not just parks. Mayor Loiland would like to look at a Board that covers all recreation in the city, and Edevold agreed that there are more green areas in the town that need sprucing up.

Jeanine Brand stated that there are nine activities in the plan. Merschman informed the Council that the Task Force had worked with HRDC on the plan and they helped bring all of it together. Talk was held on having five voting members from the Community and one or two Council Members at large on the board. Brand spoke on behalf of the Multi-use building, which would house a library, city hall and senior center if all goes as proposed. She explained the concept plan of the building. She has been looking for funding and hopefully this could be started this year. Merschman stated that Amanda Brustad has expressed an interest on being on the Park Board or on a Committee. Motion was made by Edevold to dissolve Ordinance #63 by Resolution. Seconded by TeHennepe, passed unanimously.

Jackie Merschman asked if the Committee member would come to the Park Board. Edevold stated that in a new Ordinance it would say. Merschman also asked what the Task Force could proceed on doing with the project. Edevold stated it should be talked about at the park board meeting and brought back to the Council. Brand stated that the bonding ap for a building is due in September. She will keep going forward on this application. The Library granting people liked the library in the park area. Shows strong support for a building. Merschman stated that there were also people who did not want the building in the Park; they would like to keep the park a park. TeHennepe stated that some people were concerned about the moving of City Hall to the Park. Clerk stated that if a grant application was put in and approved the Council must accept it before anything is finalized.

Edevold said that the Park Task Force should be meeting together. This group should pick five people they would like to see on the Park Board. Mayor asked if Edevold and TeHennepe would sit on the Board as At Large Members. Brand also talked about the proposed trail around the Lake and through Farm By The Lake.

Al Rasmussen reported that he has raised money to put up the 4th City Sign on the east end of town. He is working with Beverley E. Brown on the leasing of her property for the sign, at \$10.00 per month or \$120.00 per year. The City must also keep the area maintained and clean. This is the best site for the sign on the east. Motion was made by Edevold to move forward, but not finalize a deal, with a lease for five years at \$120.00 per year. City Attorney to work on a contract. Seconded by TeHennepe, passed unanimously. Rasmussen will work with Attorney Rasmussen on the wording for the maintenance, which will be put on the contract. The Beautification Committee is looking at putting block and bushes around the sign on the west end. These funds would come out of the 'Bridge' funds.

Discussion was held on the Airport Project, which was tabled from the last Council meeting. Clerk informed the Council that a letter was received from the State saying there are no funds for projects in 2009. The two options were gone over. Motion was made by TeHennepe to approve going ahead with Option #2, engineers proposed bid of \$83,100, on the Arrival/Departure Building. Seconded by Sutherland, passed unanimously. Motion was made by TeHennepe to approve the cost estimate of paving the entrance road to the airport. Seconded by Sutherland, passed unanimously.

Motion was made by Edevold to pass Resolution #12-08 ACCEPTANCE OF DONATIONS. Seconded by TeHennepe, passed unanimously.

Department Reports: Ken Moen, Liquor Store Manager. Gross profits are up 10% over 2007. Moen requested to be open on July 4th. Motion was made by TeHennepe to approve the request. Seconded by Sutherland, passed unanimously. Wine and Beer Tasting will be held on June 25th as a fundraiser for the July 4th Fireworks. Clerk stated that Kathy Crandall is donating the use of the S&K for the fundraiser.

Howard Moore, Zoning Administrator. Moore reported that a Variance for Desirae Olson was approved by the Zoning Board at a Public Hearing on May 28th. The Variance is needed due to the fact that the lot is 600 square feet smaller than what is recommended by the Ordinance. Olson reported that the house was designed to fit the lot, it is 35'X67'. Jerry Olson stated the lot is big enough for the house; it is just that the lot does not fit the Ordinance size. Mayor Loiland stated that he has an issue with building on small lots in the City. He is not in favor of developing small lots anymore. He recommended that if Olson is not locked in on the purchase of the lot, he would like to see the City work with her on the City owned lots in the in a new development. Natalie Olson stated that the neighbors did say they would like to see something done with the lot. Desirae Olson stated that the house there cannot be rebuilt, and the neighbor does not want to sell any land for her to increase her lot. Mayor would like to see them think of other options that are out there, such as the other new development in the City. N. Olson stated that D. Olson's issue is why buy the lot if she can't build on it. Edevold stated that Olson's should be thanked for designing a home that fits the lot. Moore stated that at the Public Hearing the neighbors were for it. At this time he asked for the Council's approval of the Variance. Motion was made by Edevold to approve the recommendation of the Zoning Board to approve the Variance with the condition that the house will be built by fall of 2010 or the Variance will be void. Seconded by TeHennepe, passed unanimously.

Arvin Teige, Roads & Bridges Superintendent. City park is up and running. There is a storm sewer in front of First Federal that needs fixing. Teige would like to look at taking down the old City Garage this fall. Summer help hired for the summer is Al Spring, Keith Lowry and Jordy Jordan. Beach house will be opened this week and weeds at the beach will be sprayed for soon. The insurance agents are looking at the old coke building and a report should be had by next meeting.

Frank Beaver, Public Utility Manager. Banners were put up but taken down again because they were pulling too hard on the poles. Mayor Loiland said that one banner could be put on the side of the Mercantile. Sutherland asked about putting one on the fence around the ball fields on the south end of town. Members agreed to put one there. There will be a gas training for law enforcement and whoever else wants to come. Channel 11 is back on the air. Brian Gunderson was hired on the Utility crew plus 3 summer workers.

City Hall, Clerk Colleen Lindgren. AC Water Analysis is helping with the Well Head Protection Plan Amendment. Jim Klobechar with 140 bicyclist will be in Bagley on June 17 and 18. A supper will be held at 6:30 p.m. in the Legion Auditorium and Breakfast will be at Faith Lutheran Church at 6 a.m.

Coalition of Greater MN Cities 2008 Summer Conference will be held July 30-August 1 in Mankato. Clerk was asked to bring this back to the next regular meeting.

The Bagley American Legion is asking for a temporary liquor license to have a beer tent at the Softball Tournaments being held on July 12 and 13th. Motion to approve was made by TeHennepe. Seconded by Edevold, passed unanimously.

Motion was made by Edevold to approve the payment of the listed bills, plus one to Steve Christensen in the amount of \$145.00 for snow shoveling at the Library. Seconded by Sutherland, passed unanimously.

Committee Reports: none.

Sutherland had a request to put Safe & Sober Banners on the softball field fences. The banners are 10 feet long. Council agreed to do so.

Mayor Loiland brought up the fact of dogs in the City limits. There are some upset people with the kinds of dogs that are allowed to roam. There are also some insurance companies that you are unable to get insurance with, when you have a certain breed of dog. Chief Halverson said that the City can make up their own ordinance on such. TeHennepe stated the issue should be looked at and not the breed of the animal. This has been talked about before and people should not be parking a dog in front of a building, regardless of the breed or size of the animal. Chief Halverson was asked to look into this further and bring back to the next meeting.

Mayor Loiland said that he had been contacted by Jennifer's Hardware on parking in front of the store. Jennifer St. George has said that many times she does not have any parking in front during the noon hour. Edevold suggested that 15-minute parking signs be put up on the building in two spots, if St. George allows it. Motion was made by Edevold to have Teige speak with St. George and order signs. Seconded by Sutherland, passed unanimously.

Mayor Loiland brought up the Utilities Commissioner Position. Clerk stated that there has been interest and questions will be found to ask people who have signed up for the Position. Mayor, Noel Anderson, and Vicky Fletcher will meet to go over the questions.

Jackie Merschman asked the question on what is going on with the investigation of consolidating with the Sheriff Department on Law Enforcement. She feels the police are doing a great job but she wants to know what is going on, and if it would save money. There have been no numbers heard and people are questioning what was found.

Edevold stated that the numbers heard with the hiring of officers/hours of service/number of officers were slightly less than what the City is paying now. Merschman said she had spoken to someone at the Sheriff's Office and was told that it would be a reduction of \$80,000. Edevold said that a savings can only come by a reduction in services. Merschman stated that technically the Sheriff's Office has to cover the City. Edevold and TeHennepe stated that they have to respond, they don't have to patrol. Chief Halverson said that they respond, this does not mean that they cover everything for the city such as shoplifting, ordinance reinforcement, etc. Her concern is that there were no numbers put in the paper, just quotes, and why was it done this way. Mayor Loiland asked the Council members that they obviously got numbers somewhere, and where did they come from? Sutherland stated that was the number he got at the meeting at the courthouse. TeHennepe stated that there were never any numbers on paper given to her, Halverson, and the Mayor when they attended a meeting at the Court House. There was an approximate number given per employee, not saying how much coverage was known. There was never a proposal given. Merschman stated she had spoken to former Sheriff Trandem and he said that there were numbers given at one time. Mayor Loiland stated, "No there has never been any numbers given. Eventually there will need to be and there has been lots of speculation". Sutherland stated this all began when the officers asked about losing their jobs. Merschman said it is the Council's responsibility to look into this further so the Public knows what is going on. Mayor said no one was ever told they were going to lose their jobs. Edevold said it has been looked into for years, Merschman agreed but there have never been any numbers given out or published. Edevold still argued that it would be hours of service cut to get a reduction in the dollars. Mayor disagreed and he feels there was no time put into the thought process of the consolidation. Merschman stated that right now the decision the Council made was not a good one because people have no idea what the numbers were. Edevold stated that they are trying to maintain the coverage we have under the budget we have. Sutherland stated it depends on how much coverage you want in the City. Mayor stated that these things have not been discussed; Sutherland disagreed and said they have been discussed. TeHennepe said you could look at both budgets and come up an approximate number but this has not been done. Halvorson stated that at one meeting it was discussed that it cost approximately \$80,000 per Officer.

Motion to adjourn was made by Edevold. Seconded by Sutherland, passed unanimously.

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
JUNE 24, 2008

A joint meeting between the Bagley City Council and the Bagley Public Utilities was held on June 24, 2008 at 6 p.m. in the City Council Chambers.

Present were Mayor LuWayne Loiland, Council Members John Sutherland, Mark Edevold, David G. Anderson, and City Clerk Colleen Lindgren, Public Utilities Commissioner Al Lindahl, Auditor Sandy Nelson, Utilities Manager Frank Beaver, Utilities Office Manager Vicky Fletcher, Sidney Michel, and Doug Lindgren.

Auditor Sandy Nelson went over the Public Utilities audit first. Electric Department costs went up \$87,000 over last years. Cost of electricity went up faster than the rates charges to consumers. The donated power was up due to projects done including material and labor. Everything was pretty stable. Members went over different areas of the audit.

Auditor Nelson then went over the 2007 City Audit. Complete Audit was discussed. In the funds carried over for the next year along with the designated funds, the State would like to see not more than enough to cover 6 months. Audit showed that Bagley had enough to cover 6.76 months. This is acceptable. Bid laws were gone over and also the fact that the Fire Dept. has their own checkbook. State wants to see all funds go through the City Books. Auditors would also like to see the Liquor Store and the Public Utilities do a budget each year. These are being worked on.

Motion to adjourn was made by Edevold. Seconded by Anderson, passed unanimously.

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
JULY 2, 2008

The Bagley City Council met in special session on July 2, 2008 at 6 p.m. in the Bagley City Council Chambers.

Present were Mayor LuWayne Loiland, Council Members Mark Edevold, David G. Anderson, John Sutherland, Karen TeHennepe, and Clerk Treasurer Colleen R. Lindgren. Also present was Vicki Fletcher.

Meeting is being held to work on the appointment of a member to the Bagley Public Utilities Commission.

Mayor Loiland asked Fletcher to explain what concerns or information she has that the Council would like to see in a person who would be appointed to the board.

Fletcher started out by saying she thinks it is great to have a number of people interested in the position. As far as backgrounds are concerned, different backgrounds are good. Everyone contributes something with different skills.

Mayor stated that there has been some concern about a second position on the Board opening up. He would like to see an at large person invited to the meetings so they have a little knowledge of what is going on in the Utility Department. Edevold agreed that the meeting is open to the Public so there is no issue with someone regularly attending the meetings. He felt it good to have someone come to the meetings for possible future appointment to the board.

Mayor asked Fletcher if she felt that the person appointed needed to be good with numbers.

Fletcher stated that what is more important is someone who understands what the people want. Communications skills are needed because the people of the City will talk them to.

Mayor asked what the Council is looking for. Are there any ideas from the board? TeHennepe asked Fletcher if she feels it should be someone that is in town who would be available for answering questions or signing checks. Fletcher stated that she is not allowed to sign checks; it should be two commissioners or Beaver and a Commissioner.

Mayor stated that the Commission has a lot of duties. Should it be enlarged? Edevold stated that the number on the board had been looked at but State Statute says there shall be three members on the board; one of which is a City Council Member and the Council appoints the other two. Mayor Loiland said it would be interested to look into other Cities and how many they have on their Board. One concern is that the board is not looking for someone who only wants to do one meeting a month, because there are some months when there is more than one meeting.

At 6:10 p.m. Mayor Loiland closed the meeting to hold discussion on the applications received. Fletcher and Lindgren were asked to leave the meeting at this time.

6:38 p.m. Mayor Loiland reopened the meeting.

Anderson made a motion to appoint Doug Lindgren to the Public Utilities Board. Seconded by TeHennepe, passed unanimously.

Motion was made by Edevold to extend a special invitation to Dan Olson and Sidney Michel to attend the Public Utilities Commission Meeting, for consideration for potential appointment to the Utilities Commission. Seconded by TeHennepe, passed unanimously.

Motion to adjourn was made by Edevold. Seconded by Anderson, passed unanimously.

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
JULY 8, 2008

The Bagley City Council met in regular session on July 8, 2008 at 7 p.m. in the Bagley City Council Chambers. Present were Mayor LuWayne Loiland, Council Members John Sutherland, Karen TeHennepe, Mark Edevold, David G. Anderson, and Clerk Treasurer Colleen R. Lindgren.

Also present were Chief Darren Halverson, Frank Beaver, Jackie Merschman, Art Nash, Arnie Teige, Darren Laesch, and Al Rasmussen.

Motion was made by Edevold to approve the minutes of June 10, June 24, and July 2nd. Seconded by Sutherland, passed unanimously.

Discussion was held on Ordinance #164 AN ORDINANCE ESTABLISHING A PARK BOARD. Clerk had brought information to City Attorney Rasmussen on behalf of the Park Task Force, to have him draw up the Ordinance. Jackie Merschman, Park Task Force, was present to go over this with the Council. Her understanding was that this would be a Park and Recreation Board, not just a Park Board. There will be five members on the Board with two Council Members at large. She would like the Ordinance to state that the Council Members are "non-voting" members. Mayor Loiland questioned the area on "may or may not be residents of the City". He was not so sure they shouldn't be City Residents. Edevold stated that the idea was to leave it open due to non-residents use the park and some also pay taxes. Merschman thought that the majority should be from the City; due to they pay City taxes. TeHennepe said that the Task Board makes recommendations to the Council and the Council appoints. Edevold added that the Council still makes the final decisions on payments. After discussion it was decided to add that 3 out of the 5 voting members should be from the City. Mayor Loiland strongly felt this should be put in there. He does value the rural view on things, and as far as financing he feels the rural area needs to get involved in the undertaking. Edevold stated he has no problem with the suggestion; the option was open with the Task Force. Merschman added that the two council members are non-voting and this needs to be added in.

Section 2: Chairman and Vice-Chairman shall not be a Council Member. Meeting time to be changed from 7 p.m. to 6:30 p.m. Under compensation, Edevold stated that it was his idea to pay \$25.00 per meeting. This would keep it in line with the other boards appointed by the City Council. This will need to be a budget item in coming years.

Section 3: Discussion was held on the "within or beyond" the corporate limits. Merschman feels this should be taken out because the board should be working within the City. Edevold felt it should be kept in due to the fact that the Golf Course and the Airport are outside City limits and in the future something may need to be worked on in these areas. The Board itself can say no to anyone. It does not obligate anyone to do anything. Mayor spoke on taking more off the wording in the area of who to work with and TeHennepe disagreed stating that the Board will be working with Farm By The Lake.

After much discussion on the wording, motion was made by Edevold to pass Ordinance No. 164 with alterations as discussed. Seconded by Anderson, passed unanimously.

On behalf of the Park Task Force, Jackie Merschman requested that the following people be put on the Park Board: Amanda Brustad, Steve Beltz, Jeanine Brand, Doug Lindgren, and Jackie Merschman. Motion to approve this board was made by Sutherland. Seconded by TeHennepe, passed unanimously. Merschman asked if there were any funds in the budget to use in the park this fall yet. Clerk stated that there is approximately \$6,000. Edevold stated that the board should bring something to the Council after the group meets. Merschman would also like to earmark some funds for 2009.

Darrin Laesch, Engineer with Widseth Smith Nolting, was present to bring to the Council a Final Payment bill on the Agnew Addition Paving. Project was completed with one change order to cover patching around a hydrant, which was required by the Minnesota Department of Health. Also ring castings were needed for two manholes were needed. Laesch recommends paying the change order is in the dollar amount of \$1,135.00 and closing out the project. Total amount due to Knife River Construction is \$12,148.59. Motion was made by Edevold to approve the final payment to Knife River in the amount of \$12,148.59. Seconded by Sutherland, passed unanimously.

Laesch also brought before the Council a Partial pay estimate #4 request for the 2007 Street Improvement project. Request dollar amount is \$55,318.85. They are holding \$14,532.71 in retainage. They have not paid for about \$3,000 worth of seeding because they have not seen any grass growth yet and there is also an issue on the south end of Spencer such as cracking in the pavement. They are speculating that the granular base was not compacted last fall, and then it settled with cracking. Mayor Loiland stated that that happened last year; it had nothing to do with the settling over winter. Laesch said that they have asked Christensen Construction to check it out and get back to them on what they think. Mayor questioned if the retainage was on the total project or just off the last pay estimate. Laesch said the \$14,000 plus was for the whole project. He said the Christensen's have been really good to work with.

Mayor Loiland had questions on the insulating of the water service, that was suppose to be taken care of by WSN. Laesch stated that they did take care of the patchwork and the curb work. It was WSN's fault that it did not get done last year so they paid for the work to be done. Mayor questioned the payment on the replacement of the asphalt where the sewer and water froze up. Laesch stated that the city pays for this. Edevold thought more leverage was needed.

Mayor said there is more work that needs to be done and he does not feel enough retainage was held. There is clean up that needs to be done, there is sodding that has to be taken care of, seeding, grass, catch basin work to be done. Laesch feels that maybe \$10,000 more in retainage could be held back. Council asked that better dollar amounts be brought back to the Council for their next meeting.

Laesch asked if the Supplemental Agreement could be approved. Motion was made by Edevold to approve Supplemental Agreement #3. Seconded by Anderson, passed unanimously.

Motion was made by Anderson to approve the 2007 City Audit as done by Auditors Miller McDonald. Seconded by Sutherland, passed unanimously.

Motion was made by TeHennepe to approve Resolution #13-08 AMERICAN LEGION POST #16 BINGO PERMIT. Seconded by Sutherland, passed unanimously.

Motion was made by Sutherland to pass Resolution #14-08 ACCEPTANCE OF DONATIONS FOR FIREWORKS. Seconded by Edevold, passed unanimously.

County Economic Developer Al Rasmussen was present to give to the Council a lease agreement written up by Attorney Ed Rasmussen, concerning the lease of property from Beverley E. Brown. The large sign on the East end of town will come down and a new one, just like the one on the west end of town, will go up. TeHennepe asked if there was ability to put lights on the sign. At this time there is not, but it can be looked into. Motion was made by Edevold to sign a General Lease with Beverley E. Brown, to lease a section of her property for 5 years at a cost of \$120.00 per year. Seconded by TeHennepe, passed unanimously.

Clerk went over the 2008 elections coming up. Two years ago the Council had approved providing the Election Judges with meals and their pay had been \$10.00 per hour. Motion was made by Anderson to approve the \$10.00 per hour plus meals. Seconded by TeHennepe, passed unanimously.

Motion was made by Edevold to approve the Clerks recommendation on Election Judges. They are as follows: Alice Gunderson-Head Judge, Lorraine Brustad, Kay D. Peterson, Eileen Benesh, Lou Ellen Christensen, Francis L. Knable, Melanie Grabill, Sylvia Larson, Substitute. Seconded by Sutherland, passed unanimously.

Department Reports: Police Department, Chief Darin Halverson. July 4th event went well. There were a lot of good comments on it. There were a few problems with fireworks afterwards but those were resolved.

Roads & Bridges: Arnie Teige, Street Superintendent. Teige was in contact with the insurance adjuster on the shelter in the park, which had frozen water lines in it this winter. They have figured a replacement cost of \$10,419.01 less deductible of \$250.00, if the building is repaired or the actual cost of the fixing of the building. If the building were torn down,

another adjuster would come to value the building. Teige recommended taking the building down. Anderson stated that he feels that the building is not being used for anything so there is no reason to keep it. However the Firemen do use it for their annual picnic and the Mayor said that it is used in the fall when the football team practices there and stores their equipment in the building. Teige stated that it could be made into a shelter.

Councilman Edevold informed the Council that the Park Board will be meeting on July 22nd in the park and they could look at it and make a recommendation to the Council. Maybe the \$10,000 could be used better elsewhere. Mayor said that the City could get what it is worth and still keep the building for storage. Teige was asked to get options and bring them back to the August Council meeting.

Teige stated that the new truck should be here shortly. There has been some trouble on the hydraulics.

Public Utilities: Frank Beaver. Beaver stated that lighting near the Legion has been talked about a number of times and he has a potential solution. He has a 60 foot steel pole, which was given to the P.U. by Minkota Power. He would like to put this up next to the legion. Mayor stated that he thinks it would be of the best interest to do so and a consensus of the Council was heard. Gas inspection is now going on. Next week, the manhole project on Schilling will be started and at this time water could be put in the ballpark. He would like it marked as to where the water should go. Edevold said the Mayor should use his judgment on where it should go because he has been involved in the ballpark.

City Hall: Clerk Colleen Lindgren. Last month it was discussed about members attending the Coalition Of Greater MN Cities Conference in Mankato July 30-August 1. At this time no one is able to attend.

Clerk asked about setting up budget meetings. Mayor set the date for July 28th at 7 p.m. in the City Council Chambers.

Art Nash, from the University of Minnesota Extension Office was present to inform the Council about Community Economics Programs and what they have to offer. Their goal is to assist communities grow and build up the area.

Clerk informed the Council that after the last City Council Meeting the State Aeronautics Office and the Engineer who drew up plans for the Airport project told her. The state has stated that there are no funds for the Cities projects. The state prioritized their projects and they have said that they do not have enough money for all projects that asked for money.

Clerk stated that the September Council meeting date needs to be changed due primary elections. Motion was made by Anderson to change the September 9th Council Meeting to September 8th. Seconded by TeHennepe, passed unanimously.

Mayor Loiland stated that he is unable to be at the August 12th Council meeting and would like to change the date of the meeting. Motion was made by Anderson to change the August 12th meeting to August 18th. Seconded by Sutherland, passed unanimously.

MN/DOT will be hosting an outreach meeting on the MN Statewide Transportation Plans on Thursday July 17 at 12:30 p.m. in Bemidji. Mayor Loiland is planning on attending along with Street Superintendent Arnie Teige. All members are welcome to attend.

A letter was received from Tiffany Fettig at the Headwaters Regional Finance Corp. concerning the loans of Nevaeh & Associates. Nevaeh & Associates asked for more funds from the HRFC to cover unforeseen expenses when they started remodeling the kitchen and some rotting on the exterior walls. HRFC is asking that the City subordinate its lien position in equipment only. Motion to do so was made by Edevold. Seconded by Sutherland, passed unanimously.

Motion was made by Anderson to sign the waiver form on the Liability coverage increase for the City Insurance. Seconded by TeHennepe, passed unanimously.

Mayor Loiland set the date of July 15th at 7 p.m. to award the bid on the Industrial Park Project. Bids will be opened on July 10th and there are 15 plan holders.

Motion was made by Edevold to pay the outstanding bills along with one to Clearwater Nursery for \$849.20. Seconded by Sutherland, passed unanimously.

Committee Reports: Liquor Store – Sutherland stated he has met with the Liquor Store Manager on the Audit and getting a budget done. Clerk will be meeting with Moen.

Parks & Recreation: Superintendent Teige stated that he has not sprayed for weeds, yet, on the beach area. The DNR have been dragging their feet on getting the permit done. This is one month later than usual, but he thinks it should still be done.

Being there was no further business to come before the Council, motion to adjourn was made by TeHennepe. Seconded by Sutherland, passed unanimously.

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
JULY 15, 2008

The Bagley City Council met in special session on July 15th, 2008 at 7 p.m. in the City Council Chambers.

Present were Mayor LuWayne Loiland, Council Members Mark Edevold, John Sutherland, David G. Anderson, and Clerk Treasurer Colleen R. Lindgren. Member Karen TeHennepe was absent.

Also present was Utilities Manager Frank Beaver.

Discussion was held on the bids received for the Industrial Park Project. Seven different companies bid on the project. Bids were as follows: Christianson Developers-\$69,380.00; Lindgren Backhoe-\$77,861.12; Spruce Valley Construction-\$65,104.45; Gordon Construction-\$75,355.82; Selli Brothers-\$79,672.25; Reiersen Construction-\$68,472.76; and Gladen Construction Inc-\$80,787.49.

After going over the bids, Frank Beaver, who is the Engineer on the project, recommended accepting the low bid on Spruce Valley Construction in the amount of \$65,104.45. At this time Beaver anticipates one change order involving the selection of fittings at the junction of the N-S and E-W sewer lines that will not alter the scope of the project.

Edevold asked how much bonding money was left in the funds. Mayor thought there was around \$65,000 plus around \$10,000 in the BIDD funds. Clerk stated that there was \$60,580 at the end of June. There will be expenses to come out of that also for engineering, advertising, coping of the plans. However the BIDD did say that they would throw in some funds also to cover the expenses.

Mayor Loiland explained that the Option B bid is for a section that is an expansion on the system to cover more lots in the park.

Edevold asked if there were any funds from another account that we could take out of. Mayor Loiland stated that there were funds in the Economic Development Budget that have not been used.

Motion was made by Edevold to approve the bid of Spruce Valley Construction for Option A and B in the amount of \$65,104.45 plus additional engineering, advertising and printing costs. Clerk stated that the engineering, advertising and printing costs would go into the regular bills. Edevold amended his motion to not include these costs. Motion seconded by Sutherland, passed unanimously.

Being there was no further business to come before the Council, motion to adjourn was made by Edevold. Seconded by Anderson, passed unanimously.

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
AUGUST 18, 2008

The Bagley City Council met in regular session on August 18 at 7 p.m. in the Bagley City Council Chambers.

Present were Mayor LuWayne Loiland, Council Members John Sutherland, David G. Anderson, Mark Edevold, and Clerk Treasurer Colleen R. Lindgren. Council Member Karen TeHennepe was absent.

Also present were Mary Thompson from HRDC and Frank Beaver.

Motion was made by Edevold to approve the Council minutes of July 8th and July 15th. Seconded by Sutherland, passed unanimously.

Mary Thompson from HRDC was present to discuss with the Council a proposal from the Headwaters Regional Development Commission, concerning housing in the City of Bagley. The Council received a letter from HRDC Community Development Director Tim Flathers on this matter. Concerns were heard on the Kastner Subdivision housing area. HRDC would like to provide good affordable housing for Bagley. Kastner has 15 lots not covered by TIF. There are outstanding taxes on the lots and they are priced high to cover Special Assessments. HRDC is asking if the Council would consider expanding their TIF District to cover these lots or to create a new district. Lots would then be more affordable. Kastner would be willing to donate a lot to HRDC and have the City do the same. In turn, MN Housing Financing Agency would look at the donation and help HRDC with low interest construction financing and gap financing. Bemidji Habitat has also expanded to Clearwater County. HRDC would like to see the Council ask David Drown to help on a TIF District.

Kastner lots cost between \$16,000 and \$22,000. Edevold stated that this still does not help Kastner get caught up to date. Thompson stated that TIF would make the lots more marketable. If houses get built in the area it is more attractive for people to purchase a home. This in turn would provide Kastner an opportunity to sell lots and get caught up on taxes and special assessments. If the HRDC were to get a lot they would pay the entire assessment and they get it back over time when the house is purchased. Edevold's concern is general fairness and equity across the community. There is a concern for the Lewis Project and Golf View Estates.

Thompson stated that HRDC's concern is that Kastner is not paying his taxes and that they can help out with this. HRDC does have a record on selling the homes that they have built in other communities. Mayor Loiland asked if the area is put in a TIF District, the only thing being forgiven is the City taxes because they would still pay the other county and school taxes. Edevold stated that the tax dollars would be used to pay the assessments. Mayor Loiland asked if this a time for the Council to look at bringing other builders on? Edevold would like to see a sense of fairness and that at least these other two builders should be discussed, it is wrong to one and not the others. His concern is that all this is done and the City still does not get the special assessments or the back taxes. Kastner may sit on the lots. Thompson stated that Kastner has said that he was willing to donate some lots and then HRDC may purchase more later. Nothing can be guaranteed, but this might help him to pay his taxes.

Sutherland stated that it might be a good idea to have David Drown come in and speak with the Council and HRDC. Discussion was held on the kind of housing that is being proposed for the lots in the Kastner Subdivision. Discussion was also held on the kinds of homeowner loans that are available and income levels. Edevold would also like to have Duane Lewis and Steve Olson invited to the meeting. Clerk was to check with David Drown and Tim Flathers to see which of the following dates they would be available: September 16, 22 or 30th. Meeting will be held at 7 p.m. in the City Council Chambers.

Motion was made by Anderson to approve the sign lease of Dan Larson for one year, October 12, 2008 to October 11, 2009 at a cost of \$50.00. Seconded by Sutherland, passed unanimously. Edevold stated that he would like to see the plywood painted white or some kind of picture put on it, due to it just being plywood and does not look very good.

A letter and Resolution was received from the MN Dept. of Transportation concerning a construction project proposed for the City of Bagley on Hwy. 92. Mayor Loiland has been keeping in touch with DOT on this project and he stated that they have told him to put the Resolution on hold because they are seriously looking at doing the whole curb, gutter and sidewalk. They will be getting back to the Mayor on this and hopefully have a better idea on the project.

Perry Nelson, Bagley Jr. Sr. High School Student Council Advisor, put in an application for a Parade Permit. Police Chief Halvorson has approved the parade route. Motion to approve the permit was made by Sutherland. Seconded by Edevold, passed unanimously.

Utilities Superintendent Frank Beaver had placed a light pole on property owned by Bradley Neujahr, which then an easement was needed. Beaver asked City Attorney Rasmussen to write up a temporary easement and Bradley Neujahr has signed the papers. Easement would allow the pole to remain on the property and is cancelable at any time by Neujahr providing a written request to the City Clerk. Motion to accept the Temporary Easement was made by Edevold. Seconded by Anderson, passed unanimously.

Motion was made by Sutherland to pass Resolution #15-08 NORTHERN MUNICIPAL POWER AGENCY ADVISOR. This Resolution would appoint Mark Edevold as Advisor to the NMPA. Seconded by Anderson, passed unanimously.

Motion was made by Edevold to pass Resolution #16-08 NORTHERN MUNICIPAL POWER AGENCY DIRECTOR. This Resolution would appoint Frank Beaver as a Director to the NMPA. Seconded by Sutherland, passed unanimously.

Motion was made by Anderson to pass Resolution #17-08 ACCEPTANCE OF DONATIONS. Seconded by Edevold, passed unanimously. Donations were received from Holst Township - \$50.00 and Misc. donation cans put around town in the amount of \$596.89.

Discussion was held on the 2009 Coalition Of Greater Minnesota Cities Dues Assessments. Questions was asked and answered on the difference between the CGMC and the League of MN Cities. Members felt the City should belong to both groups because both offer different things to the City. Motion to pay the 2009 dues to the CGMC in the amount of \$1,223 was made by Edevold. Seconded by Sutherland, passed unanimously.

A Candidate Survey was received from the COGMC, and Council Members were asked if they would like to interview candidates running for office. Council Members did not care to do so.

Department Reports: Roads & Bridges. Teige has checked into the costs of sand for the beach area. 150 feet by 34feet – would cost \$1,090 for the sand. He will be speaking with TeHennepe on this also. Teige also spoke with the Insurance Adjuster on the “Coke Building” located in the City Park. Adjuster agreed that if the City were to keep the roof structure, remove the walls, and just make it into a picnic shelter, the City would then receive a settlement of \$5,308.95. Teige’s recommendation is to take this offer. Council Member Anderson made the motion to go with the recommendation of Superintendent Teige. Seconded by Edevold, passed unanimously.

Public Utilities-Frank Beaver. The new streetlight has been put up in front of the American Legion. Manholes on Schilling and Brown are done. 1/5 of the sewer system has been televised and no major problems were found. The Industrial Park water and sewer extension is almost done. There is still a small trench open, but Beaver is pleased with the quality of the work being done. He will be inspecting the project before the next meeting and give a final report. Beaver asked if and where the building would be going on the south ball fields. He is hoping to get the water lines in soon. Mayor stated that Street Superintendent Teige knows where the lines and building should be going.

City Hall-Colleen Lindgren, City Clerk. Lindgren went over the dollar amount, which has been spent on the Industrial Park Project. Discussion was held on an addition to the plan. Clerk told Beaver that a change order would be needed for the additional work. Clerk brought before the Council a bill covering toilet rental for the Legion Softball Tournament. Legion Manager was wondering if the City Council would pay the bill of \$170.40. Members expressed that they would like to be asked about such things before the event is held. Motion was made by Anderson to pay the bill. Seconded by Edevold, passed unanimously.

Clearwater County has passed a County Hazard Mitigation Plan and has given a copy to the City Council. A Resolution has been written for the Council to support the Clearwater County hazard mitigation planning effort and to adopt the All-Hazard Mitigation Plan for Clearwater County. Edevold made the motion to pass Resolution #19-08 RESOLUTION OF THE CITY, ADOPTION OF THE CLEARWATER COUNTY ALL HAZARD MITIGATION PLAN. Seconded by Sutherland, passed unanimously.

Discussion was held on a letter received from Tom Derby stating that Lorraine Bestul has resigned as a Commissioner of the Housing Authority. Her term is to go through February 20, 2010. Motion was made by Anderson to pass Resolution #18-08 A RESOLUTION APPOINTING A COMMISSIONER TO FILL AN UNEXPIRED TERM TO THE BAGLEY HOUSING AND REDEVELOPMENT AUTHORITY, appointing Kay Peterson to the position. Seconded by Sutherland, passed unanimously.

Motion was made by Anderson to pay the outstanding bills. Seconded by Sutherland, passed unanimously.

Committee Reports: Park and Recreation. There has been an incident at the Bagley City Park where a number of people were asked to leave the park over the weekend of the County Fair. A letter has been received by Council Members, from another camper, concerning this episode. Chief Halverson will be asked to bring a report back to the Council on this matter.

Being there was no further business to come before the Council, motion to adjourn was made by Edevold. Seconded by Anderson, passed unanimously.

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
SEPTEMBER 2, 2008

The City Council met in special session on September 2, 2008 at 7 p.m. in the City Council Chambers.

Present were Mayor LuWayne Loiland, Council Members John Sutherland, Mark Edevold, David G. Anderson, and Clerk Treasurer Colleen Lindgren. Council Member Karen TeHennepe was absent.

Also present: Police Chief Darin Halverson and Street Superintendent Arvin Teige.

Meeting was called to discuss the 2009 Budget for the City.

Lindgren went over the City Hall Budget. Contracted Services have gone up slightly. Clerk had met with the Department Heads and they are asking for \$1.50 per hour increase. Lindgren would like to see the City Bookkeeper raised more, stating she feels she is underpaid for the position. Health insurance will be going up 13% for all employees with BCBS Insurance. Employer share of PERA is also increasing Jan. 1. Election expense will have an amount of \$1,600 in it to carry over for the 2010 elections. \$2,000 will be kept in the computer fund. Under the Library, utility rates are going up and work on the roof may need to be done. Citywide improvement is as the Council wanted from the last budget meeting.

Mayor talked about an adjustment for the City Bookkeeper, and asked what the Council's feelings are on this. Clerk stated that the City Employees are not on step raises such as the Public Utilities are. Mayor would like to see an adjustment for Jacobs, a dollar amount per hour and then an increase. Edevold stated that he feels an adjustment of \$1.00 per hour then an increase. Clerk stated that if the Council wants to give Jacobs more power in the office, they could title her as Deputy Clerk so she is able to take minutes and sign checks. Clerk was asked to find what the rules are of a Deputy Clerk. The employees increase in the health insurance for family is 91 cents per hour and 34 cents per hour for single insurance.

Edevold said that a 3% inflation adjustment is 57 cents per hour for the Clerk. After much figuring, Edevold would like to see a 91 cents/hour for covering the health insurance increase with a 1% increase in wages. Sutherland would like to see \$1.25 or 6.5% increases. Anderson would like to see \$1.20 to \$1.25, which is around 6%. Mayor Loiland stated he feels that the City has good staff, some over worked, some under worked. He would like to see the 6.5% increase, which is \$1.25 per hour. Lindgren and Jacobs would both be looking at a \$1.25 per hour increase with an adjustment increase of \$1.00 per hour for Jacobs.

Mayor Loiland stated that the Fire Department is looking into a generator and the dollar amount on the City Hall Budget may be changed. Clerk was asked to find the Contract for the Janitorial Service for City Hall and bring back to the next Budget meeting.

Discussion was held on the Beautification Budget. Anderson would like to see the flowers kept due to 2009 being the All School Reunion. Consensus was to cut the budget back to \$6,500, which is a cut of \$610.00.

Police Department-Chief Halverson. Clerk stated that she had put some increases in the budget. Due to Utility rate increases, the utility budget was increased. Gas & oil was averaged out from 2008 so an increase was made of \$2,000 more. Halverson stated there is no reimbursement on the Family Advocacy unless someone is convicted. Clerk stated that there is \$17,047.00 left to pay of the newest squad. The insurance company paid back \$15,579.88 on the squad, which was totaled out. Motion was made by Edevold to use the insurance funds received and an addition amount of \$1,467.12 to pay off the lease on the new car. Seconded by Sutherland, passed unanimously. Capital Outlay for 2009 will be lowered to \$5,000. Halverson stated that the Northwest College will no longer be doing training, so an additional \$500.00 was put into the budget.

Discussion was held on the dog pound. Sutherland would like to see a separate budget on the pound. Clerk presented a budget of \$8,268.00 for 2009. Feelings are that it would be easier to track. When the budget runs out then the pound may be closed.

Salaries for Halverson will be with a \$1.25 increase.

More discussion on the dog pound was done. The Pound Master has asked for a cost of living increase. Clerk averaged everything out due to not knowing how many animals per week are picked up. Clerk will check closer on the pound utilities. Mayor stated that he would like to see the budget

dropped down to \$5,000 for the year, work within it, and maybe even stop it at this time due to being over budget for the year. Pound Master Dany Ekre will be asked to attend the next budget meeting.

Fire Department will be discussed more after the Fire Departments main meeting.

Roads & Bridges: Teige explained that he had raised the gas & oil by \$5,000. Council feels that \$2,000 will be enough. Clerk explained the Capital Outlay budget and what needs to be paid on the truck. Teige is still checking into the area of where the Cities salt/sand would be located. Wage increase of \$1.25 per hour will be figured in for Teige and Coyer. Teige stated that Al Spring has been doing a good job for the City and he takes the other summer workers under his "wing" and does well with them. Teige would like to see him get a 50-cent raise. Teige would also like to see the winter help get 50 cents per hour. Mayor feels that 25 cents would be good. Edevold likes 50 cents, and so did Sutherland and Anderson.

Zoning Board. Anderson raised the question on why Moore makes more per month than the Council Members do. Clerk explained what Moore does when an application comes in. Clerk was instructed to bring a Zoning report to the Council at the next meeting. Edevold stated that Moore is very conscious on what he does with his position.

Economic Development. Budget will be kept the same as in 2008.

Parks and Recreation. Under wages, the Park Board was added at \$25.00 per meeting. Clerk also put in Lifeguards at \$15,000 due to the fact the Park Board has talked about this. Mayor Loiland asked if the City can charge to use the beach. Edevold stated that legally he thinks the City can, but from a practical point he doesn't think so. Mayor feels it would eliminate a lot of loitering, safety issues, and maybe recoup 1/3 of the costs to maintain. Edevold stated that you would probably loose money to monitor the area. He will bring it up to the Park Board as a concept. Chief Halverson stated he is against having lifeguards. Parents just drop off their kids if you have guards. Mayor is not in favor of lifeguards right now, and the City needs to be able to control the area more. Anderson asked if the City needs to pay guards when it is bad whether. Maybe put in that when it gets below 75 degrees there are no guards on duty. Mayor said there are other things the guards can do during bad whether. Clerk stated that when you hire guards for the summer they expect to get in so many hours per week because they are hired for the job. They plan around that. Edevold stated there is a contingency of people who want guards. At what point do we just try it. Sutherland asked if the Park Board has ever looked at a pool. Mayor stated that hopefully the Park Board will look at that. He does not approve of a babysitting service. The Park Board will be meeting on Thursday September 4th and these things will be brought up.

Cemetery. Clerk asked for a raise of \$26.00 per month in the salary department. This department has not had a raise in 5 years. Clerk clocks out of her office job to go to the cemetery. Clerk explained that the staking fees are set as follows: \$25.00 in summer and \$50.00 in the winter.

Community Service Program: No changes.

Airport: There will be a balance left over in 2008 due to not being able to get matching shares from the State Aeronautics. Teige stated that there are a number of windows in the main house that need to be replaced. The renters of the house have taken good care of it and when someone goes on the airport that they feel should not be there, they call it into the police. Teige will check further into the window situation. Mayor suggested that the repair and maintenance be cut down to \$7,500.00. Mayor would also like to see Council Members take a walk through of the house to see if more repairs are needed or if there is anything else they want to do.

Last page of the budget is the revenue. There are still unknown amounts yet. Clerk asked if the Council wants to do anything on the raising of staking fees for the cemetery. After discussion Council will look at summer rate to be \$50.00 and winter rate to be \$100.00.

Being there was no further discussion on the budget, motion to adjourn was made by Edevold. Seconded by Anderson, passed unanimously.

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
SEPTEMBER 8, 2008

The Bagley City Council met in regular session on September 8, 2008 at 7 p.m. in the Bagley City Council Chambers.

Present were Mayor LuWayne Loiland, Council Members David G. Anderson, John Sutherland, Mark Edevold, Karen TeHennepe, and Clerk Treasurer Colleen R. Lindgren.

Also present were Jackie Merschman, Lori Ranisate, Ken Moen, Darin Laesch, Larry Peterson, Rhonda Netland, and Frank Beaver.

Motion was made by Edevold to approve the minutes of August 18 with the following correction on the TIF District. In the TIF District the property taxes in place would still be paid and instead of bringing other builders on it should read developers. Motion to also include approval of the minutes of September 2nd. Seconded by Anderson, passed unanimously.

Darin Laesch, WSN, was present to speak with the Council on the 2007 Street Improvement Project. He had met at the site with Mayor Loiland, Arnie Teige, and Jason Christiansen to discuss areas, which needed further work. There are 2 locations which need patching, which Northstar will be coming in to so during the 3rd or 4th week of September. Seeding is being done today. Project is \$35,000 over budget, which changes had been approved by the Council earlier. Laesch asked the Council approve Partial Pay Estimate #4 in the amount of \$38,105.10, and withhold paying the rest until everything is final. Motion was made by Anderson to approve pay estimate #4 in the amount of \$38,105.10. Seconded by Sutherland, passed unanimously.

Lori Ranisate was present to ask, on behalf of the Wee Care Children's Center, for permission to have a Gambling License to sell pull-tabs in the Main Street Tavern. Motion was made by Anderson to approve Resolution #20-08 WEE CARE CHILDRENS CENTER GAMBLING LICENSE. Seconded by Sutherland. For: Anderson, Sutherland, Edevold, and Loiland. TeHennepe abstained. Motion carried.

Jackie Merschman, Park Board, was present to request funds to do work in the City Park for 2008. The Park Board held a meeting in the City Park, to discuss what improvements they would like to see done in the park. Consensus was to ask the Council for the following improvements: two swimming docks or platforms (which ever they can get the best deal on)-\$4,000 each; sand and extension of the beach-\$3,000; move the shelter to a different spot on the beach; 4 picnic tables with cement slabs under them for the beach area. These items would cost approximately \$13,500 and there are funds in the 2008 budget. The Park Board would like to do as much in the improvement area this year so that during the 2009 All School Reunion people will see that the City is doing improvements to the area. Motion was made by Sutherland to approve the requests of the Park Board as presented by Merschman. Seconded by Edevold, passed unanimously.

Motion was made by TeHennepe to pass Resolution #21-08 ACCEPTANCE OF DONATIONS. Seconded by Edevold, passed unanimously.

A letter was received from Lindfors Insurance Agency concerning Excess liability quotation. Motion was made by Edevold to decline the insurance. Seconded by Sutherland, passed unanimously.

Clerk reported that the League of Minnesota Regional Meetings is being held around the state. Closest ones are in Fertile on October 7 and Wadena October 8th. Cost is \$40.00 per person. Clerk would like to attend. All who want to attend should contact the City Clerk to register.

Discussion was held on a resolution received from MNDOT concerning work being considered in the City of Bagley. Mayor Loiland stated that the DOT is still going with the original plan and that the City should move on the Resolution as presented. City cost of the project is \$12,628.49. Motion was made by Edevold to pass Resolution #22-08 MNDOT AGREEMENT WITH THE CITY OF BAGLEY. Seconded by TeHennepe, passed unanimously.

Frank Beaver brought before the Council a change order for the Bagley Industrial Park project. Changes were as follows: Sewer main intersection design change; fire hydrant at west terminus; water and sewer extension to serve lots 1 and 6; excavation volume. There was an addition 40 feet of 8-inch sewer pipe and 40 feet of 6-inch water pipe. The Fire hydrant was one that the Utilities had in the shop.

Clerk asked for a dollar amount on the change order. Beaver did not have one. Mayor Loiland stated that they were going off the main quote for the 40 feet of pipe. He asked if anyone wanted to approve the change order. Anderson made the motion to approve the change order. Mayor Loiland asked for a second to the motion. None was heard. Edevold and TeHennepe both stated that the change order does not have a dollar amount on it. Mayor wanted a clarification on the excavation put on the project. Questions were asked on the price, exact amount of feet and a break down of costs. Beaver was unable to give the Council this at the time. Council asked Beaver to get all figures together and bring to the Councils Budget meeting on September 10th.

Beaver also handed out a status report on the project and a bill for his services. Council asked him to also bring these back to the Council meeting on September 10th.

Department Reports: Liquor Store-Ken Moen. Moen reported that sales are up 10%, which then profit for the year is up 19%. Moen asked for permission to attend a MN Municipal Beverage Association meeting in Frazee on October 30. Cost is \$15.00 plus mileage. Motion to approve the request was made by TeHennepe. Seconded by Sutherland, passed unanimously.

Roads & Bridges-Arnie Teige Street Superintendent. Clerk informed the Council that Teige told her that he has gotten everything worked out with the County Highway Dept. on the salt and sand shed. He has also been working with S.E.H. on the crack filling at the airport. A new spec sheet has been gotten and the state has stated that the crack filling can be done and put on the next report sent into the state for reimbursement. Two quotes have been received to put a new roof on the library due to leakage. Quote #1 – Bemidji Roofing: \$7,869.00 and Quote #2 – Darin L. Halvorson: \$8,232.00. Insulation on the roof is at R30. Motion was made by Anderson to approve the quote of Darin L. Halvorson. Seconded by Sutherland, passed unanimously.

Parks & Recreation-Rhonda Netland. The season seemed to state late but worked out well. She and her husband thought it was not bad work. Mayor asked for any recommendations. Netland stated that people did ask for more waterspouts; the city ad in Trail Life needs to be updated; and more signs outside the City limits advertising the park are needed. Some also thought it good to extend the camping further towards the frog pond. No major complaints were heard on Park activities. TeHennepe stated that a lot of good comments were heard on the Attendants. Clerk stated that their last day to be in the park is September 15th. Water will be left on for as long as possible.

Public Utilities: Frank Beaver. The new electric system is working well. The Schilling Road manhole areas are done but he still needs the area in the ball field marked off for water. Discussion was held on the new salt/sand building, which is being built at the County Highway Dept. The County located sewer lines, which were 30 feet away from the building. When digging they came upon a Main Water Line. At one end of the building it is 8 feet deep and at the other end it is 2 feet deep. Beaver feels that he has worked out a solution on what to do with the line. Mayor Loiland asked what kind of a solution could be worked out with a major line 2 feet below the surface. Beaver stated it is a loop line and if it does freeze they would have a valve put on it to turn off the water. Water would then come from another loop. County will be insulating it. Mayor does not like it and Beaver stated he would not recommend it. Edevold asked if a proper easement for the water line was filed. Beaver stated that he could not find one. After much discussion, motion was made by Edevold for the Clerk to write a letter to the County Highway Department asking them to delay the construction of the building, until a resolution can be arrived at on the water main and satisfactorily resolved for all parties concerned, with the building not going over the water main. Seconded by Sutherland, passed unanimously. County will be instructed as to when the Public Utilities Commission meets. Beaver stated that he would deliver the letter in the morning to Dan Sauve and speak with him.

Motion was made by TeHennepe to pay the outstanding bills. Seconded by Edevold, passed unanimously.

Committee Reports: Public Safety-Mayor Loiland. Speeding issues need to be addressed in the City. TeHennepe stated that it should also be looked into to get Pedestrian Crossing signs in the middle of the streets. Clerk will call the DOT on this. Chief will be talked to about setting up speed control at the entrances to the City.

Mayor also asked the Clerk to again speak to Attorney Rasmussen on the old potato house.

Parks & Recreation – TeHennepe. There have been a few incidents in the City Park by one family that need to be addressed. Sutherland feels that these people should not be let back into the park. Anderson

stated that he does not care to be getting mail from campers stating they don't want to come back if this certain family is allowed back into the park. Edevold stated that the Council really doesn't have to do anything until December due to reservations are made during January. TeHennepe would like to see a letter written about the incidents and about the rules of the park and that they will not be allowed back in. Edevold asked if the Council looks at past behavior or say 2009 is the year to be tough. TeHennepe feels we have enough to merit putting them out and wants to see something done now directed at that family. She asked if this is something to ask the Park Board for a procedure. Both the Mayor and Edevold stated it should come from the City Council. TeHennepe stated there are documents to merit their decision. Further discussion will be held at a later meeting. Edevold stated that the names will become public at a later date.

Under other business, Mayor Loiland stated that he and the City Clerk have met with a gentleman about putting a fueling system at the City Airport. The Cities master plan has one of these systems on it. He is asking permission from the Council to do so. The state aeronautics office was contacted and the Regional lady for this area said as long as it was approved by the Fire Marshall it should be OK. The Fire Marshal gives the ok for the plan of the tanks and then the plan is given to the state office for their approval. FAA does not want to see something that would jeopardize future funding from the state. There are many different kinds of tanks. The gentleman told the Mayor that he has found a dual wall tank and he would like to get it up here and get started. Pilots could purchase fuel from the system with a credit card. This person would pay for everything. Edevold stated that a lease agreement would be needed, and maybe ask for 5 cents per gallon sold be paid to the City. Mayor stated that the FAA likes it best if the City gets some money for the facility so it shows the City is bringing in some funds. Clerk was asked to check with different airports on what they do with tanks and if any leases. Edevold would like it conveyed that they are interested but cannot approve until a lease is done. City will also need certificates of insurance. Mayor would like to see something thrown out there for him so he can get started. He asked about a three-year lease at \$100.00 per year, then after that look at gallons. The man looking is on a timeline. Motion was made by Sutherland to have the Attorney write up a three-year lease for \$100.00 per year, pending lease agreement and insurance certificates. Seconded by TeHennepe, passed unanimously.

Being there was no further business to come before the Council, motion to adjourn was made by Edevold. Seconded by Anderson, passed unanimously.

LuWayne Loiland
Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
SEPTEMBER 10, 2008

The Bagley City Council met in special session on September 10th at 7 p.m. to work on the 2009 City Budget.

Present: Mayor LuWayne Loiland, Council Members John Sutherland, Mark Edevold, David Anderson, Karen TeHennepe, and City Clerk Treasurer Colleen R. Lindgren.

Also present Arnie Teige, Frank Beaver, Darin Halverson, Jeanine Brand, Amanda Brustad, Rick Viktora, Ken Moen, and Dany Ekre.

Mayor Loiland called upon Frank Beaver to explain further on the Industrial Park Project. Beaver handed out a two-page summary with a sketch on it of the Industrial Park. Length for base bid and addition was 839 feet. Base bid plus addition bid was \$65,104.45, which equals about \$78.00 per foot. The extension length is 60 feet. Beaver explained the Common Excavation costs. Moving of the fire hydrant is \$1,000.00. Repair on the water line is done and functional. Left to do is the televising of the sewer and the seeding.

Discussion was held on the change order. TeHennepe asked if the change order amount was the numbers he had written down for extension, common excavation, and the moving of the fire hydrant, which cost \$11,680. Mayor Loiland stated that there was pipe and T's put in also in the extension, which the change order was for. Edevold stated that at this time the Council needs an actual change order from Spruce Valley Contracting with the correct change order dollar amount on and a corrected invoice. Clerk informed the Council that a billing has been received from Spruce Valley in the amount of \$85,219.50. This is higher than the bid amount so it needs to be broken down. Mayor Loiland asked if it wasn't the Engineers responsibility to make up the change orders. Edevold stated that the request often comes from the contractor and the approval comes from the one actually managing the job. The contractor knows what their costs are and should submit that. The change order is accepted or rejected by the Council. Edevold is reluctant to approve the payment on the change order based on our numbers and not on their numbers. He could see doing a partial payment at this time. Motion was made by Edevold to approve a partial payment #1 of \$55,000 to Spruce Valley Contracting. Seconded by Sutherland, passed unanimously. Beaver was told to have Spruce Valley send back a billing with their letterhead on it and also a change order with all the numbers on it.

Motion was made by Edevold to approve payment to GeoDynamics Inc. in the amount of \$900.00 for Beavers engineering services. Seconded by Sutherland, passed unanimously.

Jeanine Brand and Amanda Brustad were present on behalf of the Park Board. The Park Board would like to start the park project as soon as possible to show the people that come back for the All School Reunion, that City Residents and Staff are proud of our City. They would like to start with the beach area, with the dollars the Council has set aside for the Park. They would like to have the \$13,000 split up into the following projects: improving the beach area is high priority, such as adding more sand to the beach, adding picnic tables, move shelter on the beach and add lifeguards. In 2009 budget for 2010 they would like to look at fishing pier/boat ramps, swim rafts, signage, lifeguard chair, playground equipment, take out present play equipment on beach. More of a break down is: Lifeguards-\$15,000, equipment/rafts/slide-\$25,000, and two boat ramps at \$10,000.

Mayor Loiland asked what the sole purpose of a lifeguard is? Is it liability? Is it to police the beach, watch for someone drowning or loitering? Brand stated that statically there are a great number of drowning in pools and public swimming beaches, so you should have someone on staff who is trained to give CPR during times when most people are swimming. Her best guess is that the League Of MN Cities would advise the City to have Life Guards. Brustad stated that with a better beach it would hopefully draw more people. Mayor asked if the City has lifeguards, would we be assuming more responsibility for having lifeguards half the time? Brand stated no. He is for fixing up the beach, but not necessarily for lifeguards. He wants to have the beach safe, have more patrol and regulate it more than actually sitting on a chare. Edevold stated that every year there is a desire to have guards by the public. Mayor stated that he also gets calls for needing them and not needing them. He suggested that maybe an adult supervisor walking there and being around to patrol things, versus two lifeguards on duty. Brustad stated that this person should have CPR & EMT training. Mayor stated that a person could be policing the park, not just the beach. There are other issues the city needs to address, such as roads, culverts and everything else. The City has provided a nice beach and park for years. Most beaches don't have guards. Pools do, but not beaches is the way the Mayor understands it.

Mayor asked if the Board is looking for \$50,000 to put in the 2009 budget, of which \$15,000 is already there for Lifeguards. Edevold stated that it is partly that the process is having funds available when they are assessing what to do. The Board is not really putting the ball fields on hold. The Mayor would like to be cautious on the spending and would like to see the Board look into finding funds to help with the project. He asked if the Board knows of any other funding? Brand stated no. Mayor also asked if they have approached any townships, and again Brand stated no. Brand said that all members of the Board have a goal to better it for the entire County and that they will be seeking funds. She asked that the Council please allocate their request and they will be seeking funds.

TeHennepe said that this is why the Council started the project. Put the dollars in the budget and maybe grants can be gotten. The Council created the task force and then the board to help with projects. The beach is very public and she is in favor of leaving this as proposed by Brand. Brustad stated that the Board realizes they are a park and recreation board, not just park. TeHennepe would like to see more consideration to the ballpark complex. Proposed budget will be set at \$86,893.48.

Ken Moen-Liquor Store Manager. Moen asked for raises for his employees. The 2nd and 3rd Clerks have always gotten the least. One person has been there for 13 plus years and the other has been working in the Liquor Store for 9 years. Moen wants to be fair and equal, so he would like to see a raise of \$1.25 for all employees. The part time/call in he would like to see a 50-cent raise. Two years ago, the Bemidji liquor store was \$1.00 higher than the City liquor store in pay. TeHennepe stated that Moen has pretty steady employees who handle a lot of money; she does not feel they are being overpaid. Moen is not worried about himself but he wants it to be fair for the other employees. He is comfortable with whatever they feel. Board members felt that being Moen is a department head; he would get the same raise as the other department heads. Mayor Loiland said he is comfortable with a 75-cent raise for the fulltime and 50 cents for the part time. The fulltime already get benefits. Edevold stated that Moen thinks though his recommendations through and nobody knows what will happen next year. Nothing will be set tonight and won't go into effect until January 1. Part timers work about 80 days per year. Mayor stated that even in a good year, for him, he couldn't afford to give his employees a \$1.25 raise. Sutherland would like to see the wages left as proposed and look at them later in the year when the rest are looked at.

Discussion was held on the dog pound. Clerk explained what she had put together for a budget. Pound Master Ekre stated that there is a state law that ample lights must be left on when there are animals in the pound. The County has not decided yet what to put in their budget for the pound. When Ekre originally took the job, he had asked that each year he be given a cost of living increase. The City averaged about 100 to 105 calls last year. Ekre has asked anyone who adopts an animal, to make a \$20.00 donation towards the pound. Ekre feels the proposed budget looks fine. TeHennepe stated that the salary portion of the budget does not include a 3% cost of living raise. \$520.00 needs to be added to the salaries. Proposed budget will be set at \$7,482.84.

Fire Department Chief Rick Viktora went over his budget. He is looking at having the same amounts in his budget that he did last year. However, the Firemen have discussed some issues that need attention. They had a fire call when the electricity was off and so there was no scanners, radios, siren, lights and the doors would not go up unless they were pushed up manually. Some emergency backup lights were put in. They have been looking into a generator. The present siren is so old they cannot get parts for it. A three-phase generator large enough to work the old siren would cost \$13,351.00. Federal Signal Co. said that an ACDC Siren with a battery backup cost \$13,900. If this were gotten, then a three-phase generator would not be needed. If the Council feels something should be put in it would be good. The Firemen want to get a generator. Clerk stated that last year the Fire Dept. was under budget by about \$2000. These dollars were put into the fire truck account. Mayor asked if these funds could be used for a siren and generator. Clerk stated that it is the townships that pay the fire department budget and in their contracts it states that all extra budget funds go into a truck account. Viktora is looking at writing a grant this winter and the generator could be added into the grant. After talking to the Siren tech today, Viktora is more prone to look into a siren before a generator. Sutherland stated that it makes more sense to look into a siren, and move the generator from the City Hall budget to the Fire Department. There is \$12,000 budgeted in the City Hall budget for a generator. Edevold asked Viktora to move ahead with finding prices and bring back to the City Council. Proposed budget will be set at \$67,245.00.

Roads & Bridges-Arnie Teige, Street Superintendent. Under capital expense, Teige had previously asked to put in \$10,000 for a mower and trimmer. This was now added.

Cemetery-Teige & Lindgren. Teige could not see any changes. Clerk handed out a sheet on the calls for going to the Cemetery and asked for a \$26.00 per month raise increase. After discussion on what is

done in the department, Mayor Loiland stated he would like to see the wages left the same as 2008. Edevold agreed. Budget will be set at \$6,310.00.

Community Service Budget will be left the same as 2008, at \$2,400.00.

Airport-Arnie Teige, Street Superintendent. Teige stated that yet this fall in 2008, the airport runway has cracks in it again. The original material used to fill the cracks was the wrong spec, which was approved by the State Aeronautics Office. DOT is willing to redo the crack filling and reimburse the City in 2009. Engineers who looked at it did not feel that it was real bad. Airport budget will be left at \$14,534.00.

Teige would like to see repairs put into the furnace at City Hall due to the fact it is so loud during meetings that it needs to be turned off. Clerk was asked to look into bids for the repair or replacement of the furnace.

Police Department-Chief Darin Halverson. Chief said that the Legal Services/Family Advocacy could be lowered by \$1,000. City Officers now handle bad checks and the fees for this are put towards the Legal budget of the Dept. Edevold questioned the payment of the car and the capital outlay budget. Halverson would like to keep \$5,000 in the account to start putting funds away for a future car. Other expense could go back down to \$2,500. Proposed Police Budget will be dropped to \$267,177.71.

Motion was made by TeHennepe to extend the meeting by 15 minutes. Seconded by Anderson, passed unanimously.

Zoning. Clerk gave a copy of the 2007 Annual Report to the Board. Anderson stated that they have not had any meetings for 2 months but right before that they had four meetings in 1½ months. Chairman had asked for a raise from \$200 per month to \$250. per month. Board members asked to be raised from \$25.00 per meeting to \$40.00 per meeting. Administrator does not get mileage or any benefits. Edevold commended Howard Moore stating he does a good job and does put in time on all the applications. If Moore is working on a project that takes a lot of extra time, he should feel to come to the Council and ask for a little extra pay for the project. After discussion, it was decided to put the per meeting amount at \$35.00 but leave the Administrators wages at \$200.00 per month. Zoning budget will be set at \$6,603.10.

Economic Development. Edevold stated that there are cuts that need to be made, but maybe cut this budget down from \$21,886.00 down to \$13,886.00.

City Hall Budget. Clerk stated that the only thing she had changed was the wages and benefits. The generator was taken out and put into the fire department budget. The 2002 bond issue will be paid off in 2009. Edevold explained where there will be more funds in 2009 and 2010.

Motion was made by Edevold to extend the meeting by another 15 minutes. Seconded by Anderson, passed unanimously.

Edevold would like to see the proposed budget dropped by about \$26,000. After the above cuts the proposed levy would still go up about 8 1/2%. Discussion was held on further cuts and Mayor Loiland feels this would leave it open for the huge increase in the park department, but he does not know if he is in favor of that. He appreciates it but does not know if it is a good thing. Edevold feels that there could be \$5,000 cut from the total park budget, capital outlay and it was decided to drop the \$10,000 put in the Roads & Bridges budget for the 2010 street work. After figuring in these cuts it puts the levy at 5.65% increase over the 2008 levy. Firemen's Relief was left at \$14,000 and the special assessment for a fire truck was left at \$10,000.

Motion was made by Edevold to extend the meeting by another 5 minutes. Seconded by Anderson, passed unanimously.

Motion was made by Anderson to approve the 2009 proposed budget at a total of \$1,209,809.40. Seconded by TeHennepe, passed unanimously.

Motion was made by TeHennepe to approve the proposed 2009 tax levy in the amount of \$509,069.00 and to have the Clerk certify this amount to the County Auditor. Seconded by Edevold, passed unanimously.

Clerk brought before the Council a letter received from Northern Municipal Power Agency, concerning a Closing Certificate, which confirms the cities, continued involvement as it relates to the Power Sales Agreement between the City and the Agency. They are asking that the Mayor and Clerk sign the form, which allows them to call in bonds to get a lower rate. Motion to sign the form was made by Edevold. Seconded by TeHennepe, passed unanimously.

Being there was no further business to come before the Council, motion to adjourn was made by TeHennepe. Seconded by Edevold, passed unanimously.

Mayor LuWayne Loiland

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
SEPTEMBER 30, 2008

The Bagley City Council met in special session on September 30, 2008 at 7 p.m. in the City Council Chambers.

Present were Mayor LuWayne Loiland, Council Members John Sutherland, David G. Anderson, and Clerk Treasurer Colleen Lindgren. Members Karen TeHennepe and Mark Edevold were absent.

Also present were David Drown, Duane Lewis, Tim Flathers, and Steve Olson.

Mayor Loiland stated that the purpose of the meeting is to discuss or brainstorm how to help the present builders in the City. Economy and housing issues have slowed down so he would like to get some options together to help and City as well as help the developers out.

David Drown, Drown and Associates, asked what kind of projects that the present builders have going on. Duane Lewis explained he has a Senior Living Area with 17 homes, 12 are duplex and 5 are single-family living. Steve Olson has 14 spots for Town Homes, which 2 have been built. Mayor stated that Kastner has a number of lots with 1 house built and sold with another house ready to be sold.

Mayor stated that the City needs to come up with a way to try to take the burden off of the developers and make a win win situation for everyone. He does not want to see property go back due to taxes not being paid. He wants to keep the land on the tax roles. Wants ideas on what to do.

Tim Flathers asked if the Council would consider utilizing TIF to help with the projects. The Housing Development Corp. would entertain helping with single-family homes. Cost of the projects plus the infrastructure at this time is not possible.

D. Lewis worked with MMCDC on homes before where the lots would be purchased and homes would be built and then sold at low interest. He is carrying all the loan debt and he thought the homes would have went faster.

Mayor Loiland asked Drown if the City could expand the TIF District as well as Mr. Lewis and Mr. Olsons property. Drown explained to the group how TIF works. TIF is a way to find a way to be feasible and attractive for families to buy lots and build a home. For a few years the taxes are put in a fund that the City can use to help the developments. The whole key is not to bail them out, but use TIF to cut down the cost of the home. It would provide a way to buy down the land cost for the homeowners. TIF can also be used to pay assessment payments. This focuses on making the lots more attractive by getting rid of the special assessments. People have 5 years to do something on the lots and there are income limitations. TIF does not work on existing homes. You cannot capture the present taxes.

TIF can be used on rentals. 40% of the renters must be at 60% of the median income. A written contract would be needed with the builders. You want it to look simple and attractive to the landowners.

Drown stated he would be happy to help with the District but the Council makes all the final decisions. The City would not cancel any assessments until the home is built and lived in. City does not incur any debt.

Flathers stated that there is a risk if the City does nothing. If there is no market the City ends up paying for the land, but the owners just walk away. He can see there is an interest for this kind of project.

Lewis asked if he has someone interested in buying a lot, could it be backdated. Drown stated not really.

Mayor Loiland said that there is a liability if a development does not move forward in four years and the assessments were not paid. Drown stated that is there is any default on the special assessments, they must be current to go through the TIF.

After much discussion, Drown stated that there are four things that must be done.

1. City Council must decide to do the project.
2. Data Collection
3. Drown would take suggestions to the builders and Council.
4. If everyone agrees, then do a deal.

The only thing the Council can do tonight is to authorize Drown to meet with the Developers and gather information.

Motion was made by Anderson to move forward with Drown, on consideration of expanding the TIF District. Seconded by Sutherland, passed unanimously.

Drown stated that the City may have to look at doing a new District. He may ask for a meeting to be set in early November to work with the builders. A wonderful program could be done, but the markets are awful tight right now.

Clerk brought two proposals, which Street Superintendent Teige had given her on repairing the alley behind Dutch Mill Motel and the alley behind Triangle Sales. Bemidji Bituminous quoted \$4,000 for the alley behind Triangle sales. They would shape patch 22X100 and overlay a 22X75 section. On the alley behind Dutch Mill Motel, they would shape the class 5, pave a 2" hot mix matt along with two approaches at a cost of \$3,400. Clerk stated that after speaking with Teige, they felt there should be money left in the funds for this back area and that maybe the funds for the alley behind Triangle sales could be taken out of the Economic Development budget. Mayor stated that he had spoken to Teige also and when they snow plow he ends up hitting and breaking the curbs. Motion was made by Sutherland to approve these two projects. Seconded by Anderson, passed unanimously.

Being there was no further business to come before the Council, motion to adjourn was made by Sutherland. Seconded by Anderson, passed unanimously.

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS

October 14, 2008

The Bagley City Council met in regular session on October 14, 2008 at 7 p.m. in the City Council Chambers.

Present were Mayor LuWayne Loiland, Council Members Karen TeHennepe, Mark Edevold and Clerk Treasurer Colleen R. Lindgren. Members John Sutherland and David G. Anderson were absent.

Also present were Sergeant Larry Peterson, Paula Woods, Jeanine Brand, Jackie Merschman, Dianne Nowaski, Ruth LaFontaine, Leonard Stinar, Mary Bacher, Les Liljahl, and Amanda Brustad.

Motion was made by TeHennepe to approve the minutes of September 8, 10, and 30th. Seconded by Edevold, passed unanimously.

Mayor Loiland called upon Jeanine Brand, on behalf of the Library Foundation. Brand brought before the Council a grant application to build a new library. This is the first time in six years that funds have been available at the state level and the City Government must apply for these funds. The application is due to the state by October 24th. The City must own the land earmarked for the grant. The Library Foundation is 10 years old and they have raised \$185,000, which is getting \$500 per month on interest. The Foundation is willing to give the \$185,000 for a matching grant. They feel they can get more donations and grants, especially with the state commitment. State Liaison Bruce Pomagranse emailed Brand on Monday to give her feedback on the application. He told her that she must choose only one spot that the Library would be built on, not two as her application showed. There are two proposals to build on. One is the original one by the railroad and the other is in the City Park. The Council is the group must choose the spot. Brand understood that the exact location could be later determined so long as it was one or the other. Pomagranse meant that the library could be changed from a library to a multiuse building if wanted at a later date, but not the location being changed. Proposal is to ask the Council to apply for the grant and to decide where to put the library.

Mayor Loiland stated that by looking at the grant application, they would still be about \$220,000 short. He asked Brand how she plans on making up the rest of the funds. Team Foundation has given \$52,000 and they had stated they would give more when there is something definite insight or end date. Early Childhood has funds and the Hartz Foundation has said when there is something more solid to let them know. She has had about 100 people tell her that if the library is put in the park, they will help. The grant application just involves the Library. Brand likes the idea of a multiuse building because the main room could be used as a Council Chambers, Community Room or a Seniors Room. Mayor asked if the Library Foundation has approached the Senior Center as far as relocating. Brand stated no, that has been a park board endeavor and Mr. Skunes is no longer living in Bagley. She does not know how much information they have received. Brand was asked how the building was to be maintained. She stated that after the building is built it would be turned over to the City. The Library is still a part of Lake Aggasi Library and their staff and such will be part of that. TeHennepe asked if Brand has a completion for the grant. Brand stated that the plan must be started within 6 months and the building completed in five years. The Library Foundation owns the present plans for the library. If the building turns into a multi use building, then new plans will be needed. The present plans have been approved by LARL. Edevold spoke on the plans, and maybe asking a different architect, and he would like to see a multi use building. He thinks a better way to go is to start from scratch.

Mayor asked what other sites have been looked at. He personally does not think the park is the place for the library. He feels there may be congestion problems, more than what is there now. Sutherland asked where else the Board has looked, to build the library. Many years ago the old Carriage Inn area was looked into, across from the Court House, and others. Brand stated that the Team Foundation, who has donated a substantial amount of money, does not want to see anything taken off of the tax roles. Mayor Loiland suggested the area where the pine trees are next to the Hockey Building. This would be close to the park, high school, church, and would have lots of parking. TeHennepe stated that she does not see that the congestion would be any worse than it is and the view would not be blocked any more than it is now. She would like to see people in the park and enjoying it.

Jackie Merschman asked to clarify if this grant was for only new construction, which Brand stated it was. Merschman stated she is on the Park Board and the majority of the surveys said they would not like to see a multi purpose or any type of building in the park. Brand and TeHennepe disagreed with Merschman. Mayor asked what location they were looking at putting the building at. Brand stated it

would be in the upper shelter area and at this time you cannot see the lake. The shelter would need to be relocated. Merschman asked why the area picked earlier is not suitable for the library. Brand stated that the people she has worked with do not want their kids near the railroad. The spot by the railroad was a place to start and was available for a very cheap price. Merschman asked for a clarification on the amount of funds. Where would the other funds come from? Brand is hoping to raise the rest of the funds between donations and grants. The location cannot be changed once it is put in the application.

Information that the City had to pick one location was received the day before the Council meeting. Mayor said that it is very unfair right now, he is very supportive of the City being a sponsor, but is not willing right now without looking and talking to a few other groups about a location. Brands concern is that the state may not have any money at a later date and it may not get any better. Mayor would like to look at some other land options, if it is possible. Edevold stated he does not like the site where the pine trees are by the Hockey Building and the Mayor said he does not like the park site. Paula Woods said that the Library Foundation has tried to find a spot for 10 years and at some point the Council needs to make a decision. Taking on this grant would open up the door for more grants. Edevold feels the park is the least costly and the triangle piece is just not going to happen. Merschman commended Brand for all the work she has done with the Library Foundation and the raising of funds.

After much discussion, it was decided to hold a special City Council meeting on October 21st at 6 p.m. to have further discussion on the location of a future library and whether or not to put the grant application in.

Leonard Stinar was present to speak with the Council on the Reserve being in the City, which has been gotten rid of, and on deer hunting in the City limits. There is no record in the City ordinances about feeding deer within the City. Sergeant Larry Peterson stated that people are not to be shooting firearms in the City, and they must have a special license for bow hunting. Stinar would like to see something done, to get rid of the deer in the City. Mayor stated that Shelly, from the DNR, has some generic ordinances on what other cities have done with deer in their city, and she had told the Mayor that she would come to a meeting and discuss this with the Council or whomever. Stinar asked how to get something done on not feeding deer in the City. Edevold stated that who is going to tell the older citizens to quit feeding the deer and that everyone should do something about their bird feeders. Mayor said the City does have a problem and there is a need to get something done. Edevold would like to see a sharp shooter come in. He would like to at least see the deer thinned down. Mayor would personally like to see no one feed the deer. Edevold suggested that Mr. Stinar write a letter to the editor on the subject of not feeding the deer. Clerk will see if someone from the DNR can come to the December Council Meeting.

Motion was made by TeHennepe to approve Resolution #23-08 RESOLUTION AUTHORIZING EXECUTION OF AGREEMENT. Seconded by Edevold, passed unanimously.

Department reports: Public Utilities, Mark Edevold. The Contractor needs to finish televising the sewer lines. They have not called Beaver back yet for the change orders. Fall discharge of the lagoons is finished. Three fire hydrants are being repaired and should be operational in one week. Hydrants have been flushed. A new utility mid level ripple rate is being worked on.

City Hall-Colleen Lindgren, Clerk Treasurer. Clerk informed the Council that David Drown has been in contact with the three contractors who were at the Council meeting. He should be getting information back to the Council with a week or more. At that time he would like the Council to individually go over the material and then set up a meeting to get together.

Truth in Taxation Public Hearing will be held on December 1 at 7 p.m. in the Bagley City Council Chambers. Continuation Hearing, if needed, will be held on December 8th at 7 p.m.

Council members have been invited to the Grand Open House of the Garden Place Assisted Living Plus, for October 17th at 9 am to 12 noon.

Clerk opened quotes for painting the inside of City Hall. One quote was received from Don Friborg, in the amount of \$925.00 for one coat and if two coats are needed the cost would be \$1,400.00. Motion was made by TeHennepe to accept the quote of Don Friborg for one coat of paint in the amount of \$925.00. If a second coat is needed he is to come back to the Council. Seconded by Edevold, passed unanimously.

Clerk stated that she had spoke to three different people about fixing the City Hall furnace so that it was not so loud during meetings. One quote was received from Neill's Plumbing & Heating. Quote was to rerun return air above ceiling to reduce noise and install new ¾ hp motor, in the amount of \$1,330.00. Motion was made by Edevold to approve the quote of Neill's Plumbing & Heating. Seconded by TeHennepe, passed unanimously. Clerk stated that she will have the exhaust fan fixed in the men's bathroom also.

Motion was made by Edevold to transfer \$15,000 from the Liquor Store checking to City Checking. Seconded by TeHennepe, passed unanimously.

Motion was made by Edevold to approve payment of the listed bills plus \$100.00 to Howard Nowackie and \$100.00 to Randy Aumock for cleaning/brushing along Prairie Lane. Seconded by TeHennepe, passed unanimously.

Committee Reports: Public Safety. Mayor brought up the subject of pedestrian crossings signs. Council members want Street Superintendent Teige to order four pedestrian signs which will go in the middle of the crosswalks by the drug store, court house, First National Bank and D&R Café. Sergeant Larry Peterson will check into the street speed trailer.

There will be a District 2 Area Transportation Enhancements meeting held on October 21st at the HRDC Offices. Edevold may be able to attend.

Parks & Recreation: Amanda Brustad gave a report on what has been happening with the Park Task Board. Larry Bellefy and Jason Van'tHul will be talked with on the shelter for the ball fields. The Park Task Board has ordered picnic tables for the beach area with concrete under them. Signs are being looked into. Lifeguards are still in the discussion area. Clerk stated that if rafts and equipment were put on the beach area and in the lake, the insurance would not go up but there would be the liability issue that the City would get into. The League Insurance did not recommend diving boards. The City would take on more liability if there were guards hired. Rafts are being looked into also. Teige has expanded the beach area and the beach shelter has been moved. Mayor Loiland stated that the Rotary Club has asked him about any projects they could do for a community project. TeHennepe stated that the beach area was the starting point for the park project. The Park Task Force will be looking at fishing pears and docks, but there are DNR rules they must follow.

Being there was no further business to come before the Council, motion to adjourn was made by Edevold. Seconded by TeHennepe, passed unanimously.

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
OCTOBER 21, 2008

The Bagley City Council met in special session on October 21, 2008 at 7 p.m. in the Bagley City Council Chambers.

Present were Mayor LuWayne Loiland, Council Members John Sutherland, Mark Edevold, Karen TeHennepe, and Clerk Treasurer Colleen R. Lindgren. Councilman David G. Anderson was absent.

Also present were Keith Kubiak, Ruby Bergquist, Rita Bode, Lillian Sauer, Terry Knutson, Connie Larson, Pat Kubiak, Lorraine Brustad, Amanda Brustad, Jackie Merschman, Al Rasmussen, Dianne Nowacki, Wendy LaRoque, Les Lilljall, Joyce Meyers, Lee Magnuson, Karen Edevold, Dianne Horsely, and Doug Lindgren.

Mayor opened the meeting by stating that the meeting was being held to discuss a possible location for the Bagley Library and answer questions about a new library.

The Clearwater County Fair Board had been asked about the possible use of the area where the pine trees are next to the Hockey Rink. They were not 100% against it but it is bad timing for them.

The process will be to look at other possible locations. Ideas heard were the empty lot on Getchell Ave., Kubiaks old Grocery Store, Magnuson property next to the Senior Center or the original site, which is down by the Railroad tracks.

Janine Brand stated that the grant requires the land that where the Library is to be build, must be owned by the City. The site cannot vary. The City must submit the application by Friday October 24. There have been two locations discussed that people seem to like. First one is south of Galli Furniture, which is the original site and the second one is in the City Park. The Library Foundation has been working on this for 10 years. Brand explained many options and the lots, which have been looked at over the years. At this time the Library Board cannot afford to purchase a lot and building. The application is for a new building only, not a refurbished one.

People are not objecting to the library. There has been a survey done. The Bagley Park Board has worked with HRDC on the project. Brand spoke about the park and the possibility of the building being built in the Park. It is for everyone, and this would be the best location to draw people from the school and senior citizens. Bagley is centrally located in the County. She said that they do not want a square box, they want something nice. Brand asked that the Council submit an application with the site being in the City Park.

Sutherland asked how big the building would be. Brand informed the Council that the original plan has the building to be 64X100. Merschman asked the cost of the proposed building. Brand stated \$545,000. Merschman said that 200 plus thousand dollars would be needed in 5 years. There were only 35 people who answered the survey. She feels the community does not want the library in the park. They are in favor of the library but not in the park due to the park is very nice as it is.

Mayor Loiland showed a petition with lots of names on it. This should be a Community project. Most of the people want a library but not in the City Park. Kubiaks old grocery store is another spot to look at. He stated that the City needs to capture the grant.

Ruby Bergquist asked how much is needed for the City to put in towards the grant. She was told that the City does not have any funds put into the project yet. Mayor stated that the whole project so far has been on the shoulders of the Library Foundation. TeHennepe stated that this is a \$185,000 grant and 0% will be owed on it. Terry Knutson stated that the Library Board has applied many times and have even testified in front of the Legislature. It is not an option to add onto the present library. Mayor Loiland stated that there is a time frame to be met for the application.

J. Brand said that the man helping on the application told her, that you choose a site now and you do not relocate it. Mayor Loiland said that HRCD thinks that they can move the location. P.

Kubiak asked why this project wasn't put to vote to the citizens. Mayor Loiland said this has been an ongoing project for the Park Board. W. LaRoque stated that there have been many meetings. That this is just a concept plan they are doing. The building may or may not be in the park, and this is proposed as a multi-use building.

J. Merschman believes that state statutes say that a library cannot be built in a city park. D. Nowacki feels that the location proposed for the library is one of the choose spots in the park. K. Edevold said that the library is not always just a study area; it is used for many things. L. Brustad commented that if the \$500,000 is for the building only, how much more will it take to change the hill. Mayor Loiland said that the fill from the hill could be used in other areas of the park. Amanda Brustad said that if the building goes in, then the rest of the project would get done because it revolves around the building. R. Bode feels that where the proposed building is to go is just as busy an area with Hwy 2 next to it. Mayor Loiland said that with the Senior Center next to Magnusens empty lot, maybe this would be a good spot to go. J. Brand stated that there is not enough parking in the area.

Councilman Edevold stated that one of the criteria was not to take anything off the tax rolls. J. Merschman had an email from Team Industries and it was stated they do not remember that. T. Knutson said that was also nine years ago. A. Brustad said that she had spoken to Tricia Young at Team Foundation and she does not recollect such conditions. They do not like the railroad location. J. Merschman said she has been told by people they are against the library being built in the park.

J. Brand said that people signed the petition without really knowing where the Library would be located, and the City must own the land. If the Kubiak location were chosen, the building would need to be torn down and in the park the hill and two shelters would need to come down. Question was asked why the 2006 site was put in the original ap and now 10 days before the Council meeting does it need to be decided. J. Brand said that it was not known that they could have only one site. The man helping on the application caught it and told Brand that it must be one site.

Councilman Edevold stated that it would bring more people to the library if a city hall and senior center were located there also. He would like to hear from more people on the project. He also stated that the general public does not want to see anything taken off the tax rolls. There are not any extra dollars in the community to do such.

W. LaRoque stated that the city doesn't have time to work all this out. We do have a property by the Rail Road tracks and it is time to move forward and find out how we can make this work? D. Lindgren agreed. There is a historical site by the Rail Road and why not talk to Burlington Northern to have the road turned over to the City. You could turn the area into something very unique. Councilman Edevold said that when the Historical Society was in the building by the railroad, his wife watched things shake off the shelves. J. Meyer stated that the old tower could be utilized and take the bad and make it good.

Mayor Loiland sees congestion in the park now and thinks it will be a lot more with a multi use building built there. W. LaRoque stated that if this group keeps arguing, the grant could be lost. Councilman Sutherland asked if anyone has spoken to the railroad about the road. No one has. A. Brustad asked if the building goes into the park is the railroad site dropped. J. Merschman stated this is a community project. They are the ones speaking and right now we have a site and a deadline. W. LaRoque said that issues are time. She would love to see al in the park but concerned about the money coming in. A. Brustad stated that in 10 years, \$185,000 has been raised and can enough be raised in 5 years to build the building? J. Brand said that there are places, and grants that have said they would contribute if we were to get serious dollars.

Councilman Edevold said that the grant work starts in six months and the building must be finished in five years. R. Bergquist asked what is going to happen to down town if you move all of these things to the north end of town? L. Magnusen said that he owns a 50X150 foot lot next to the Senior Center. Edevold feels this is not big enough for the building. Both Bergquist and Bode stated that the seniors do not like the idea of moving to the park. K. TeHennepe said that in 20 years, the seniors may have different needs and uses. J. Brand said that if a building were to be built by the railroad, it would not be a multiuse building. K. TeHennepe said that the City will need to maintain all upkeep and utilities for the building. Edevold said that the original idea was to share space.

J. Merschman referred back to the State Statutes saying that you cannot put a public building in a city park. M. Edevold said that could be changed and he is a firm believer in putting the multi-use building in the park, he does not like the railroad area. He has not had the time to feel it out and he does not feel that \$185,000 is enough to jump in for the grant. The Library Foundation is doing their best with the money they have and this is too important to rush into. Edevold made the motion to table the grant application at this time. Seconded by TeHennepe, but she wants discussion.

TeHennepe would like feed back from the library board. What are their feelings and are we out anything if we apply, get the grant, but have to give it back.

J. Brand said that there are a lot of people why the City does not have a swimming pool or no bike paths. A lot of people ask why grants are not applied for when available. She does not feel the City will get another chance because the state will not do it again. She does think that the money can be returned if not used. Mayor Loiland said that the City need to pursue the grant and move forward. He feels it is bad not to apply at this time. He asked the Council if they would like to proceed with the grant application at the present location. Councilman Edevold feels the site is too small for a library; it was a piece of property that was available at the time. J. Merschman asked why give up state dollars, not everything is good for everyone. M. Edevold feels that the City can do better. J. Merschman said that Brand has been working on this for 10 years and she is serious on what she is doing. J. Meyer said that if the grant is asking for \$185,000 and then matching. What if someone came forward with \$100,000, can the amount be changed by Friday? Brand stated that it could.

Mayor asked for a vote on the motion. Edevold yes. Sutherland and TeHennepe, no. Motion failed.

TeHennepe made the motion to pass Resolution #24-08, in support of applying for the grant with the building to be located at the railroad location. Seconded by Sutherland. Discussion to be heard. Sutherland asked if there was any closer property to get. A. Brustad said that an idea would be to close the street between Galli Furniture and the railroad. Motion for: TeHennepe and Sutherland. Edevold opposed. Motion carried.

TeHennepe asked for a clarification on the grant funds. There was a lot of effort put into getting the information out. People have come in after the fact. Voices are better than a signature on paper. Mayor Loiland said it is important for the Park Board and the Library Board to meet together.

Being there was no more business to come before the board, motion to adjourn was made by TeHennepe. Seconded by Edevold, passed unanimously.

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
NOVEMBER 10, 2008

The Bagley City Council met in regular session on November 10, 2008 at 7 p.m. in the City Council Chambers. Present were Mayor LuWayne Loiland, Council Members David G. Anderson and Mark Edevold. Member Karen TeHennepe entered at 7:12 p.m. Councilman John Sutherland was absent.

Also present was Sylvia Larson, Rita Bode, Duane Hayes, Sidney Michel, Frank Beaver and Darren Laesch.

Motion was made by Edevold to approve the minutes of October 14. Seconded by Anderson, passed unanimously.

Sidney Michel was present to speak with the Council about his contract for doing the Janitorial Services for the City Hall. On the original contract sales tax was omitted but was needed due to he sends in sales tax. The City is not exempt. Most cleaning of carpets and bathroom cleaning is taxable. Tax on his contract would come to \$27.63 per month or \$331.56 per year. Motion was made by Edevold to approve the contract with Michel Enterprises in the amount of \$452.63 per month. Seconded by Anderson, passed unanimously.

Duane Hayes was present on behalf of the All School Reunion Committee. The Committee would like to have a bon fire within the City limits but they need a location. Mayor stated that a few years ago the school was encouraging bringing back the bon fire celebration during Homecoming. Hayes stated that it must be a controlled burn, meaning the fire department may need to be involved. S. Michel suggested the Fair Grounds and Edevold suggested the Frog Pond. He did not feel it would interfere with the campers. Anderson stated that if it rained, it stays very wet in the area and would get torn up. Hayes stated that the lot must be somewhere that a truck could get to it to bring in the wood. Mayor Loiland suggested the City owned lot located on Getchell Ave. or the City ball fields. The area of insurance liability, fire control and police control were discussed. Mayor feels that the Council is behind the project and Edevold agreed. A location will be decided at a later date after the City insurance is looked into.

WSN Engineer Darren Laesch was present to bring forth a request from Christenson Developers asking for final payment on the project in the Kastner Division. They are also asking for payment on some addition work done on the curb and sidewalks in the area. Cost for this work came to \$500.00. Laesch stated that the pavement is not perfect. Mayor Loiland asked if the job was punch list acceptable. Laesch said that Curt Meyer was out sick today but the job seems acceptable. Mayor asked if all pins have been put in that WSN was to do. Laesch stated he would ask Meyer on this. It does not have anything to do with Christensen, but with the survey crew. Final payment is \$34,407.71. Anderson stated that he feels the drainage problem has been taken care of. Motion was made by Anderson to pay the final payment on the project to Christensen Developers in the amount of \$34,407.71. Seconded by Edevold, passed unanimously. Costs for the project was \$616,905. and the original contract came to \$581,000. The project went over costs by \$35,905.

A letter has been received from Bruce Pomerantz Library Development Specialist, of the MN Dept. of Education. The advisory grant review committee will review the Library grant application by November 10 and make their recommendations to the Commissioner of Education. Pomerantz had asked the Clerk if the Council would be putting any funds towards the library. Clerk stated she had told him that the Council has not set any designated funds aside but they are for the project. Mayor Loiland said that the present library building is worth something and maybe the Council should have been looking at putting in some money. Edevold stated that the opportunity is past if they were looking at the application on Nov. 10th.

A contract has been received from City Auditors Miller McDonald, to perform the 2008 City Audit. The City Audit has increased in price by \$975.00, Liquor Store will increase \$390.00, and Public Utilities will increase by \$1,055. Clerks explained that costs are going up like any costs and the more funds the City and Utilities have in bonds & loans the more reports there are to be performed. Mayor asked if there are any other Auditors around that do these audits. Clerk Lindgren informed the Board there were no auditors in Bagley that do City Audits, and she did not know of any others in the area. Miller McDonald does many of the audits for Cities, Schools and Fire Departments in the surrounding

area. Motion was made by TeHennepe to approve the contract with Miller McDonald to do the 2008 City Audit. Seconded by Edevold, passed unanimously.

Clerk Lindgren asked to attend a meeting in Minneapolis on November 19th concerning “Generating Non-Tax Revenue: Techniques, Issues and Case Studies”. Cost for the training is \$80.00 registration, one night motel, and meals. Motion to approve was made by Edevold. Seconded by Anderson, passed unanimously.

Utilities Manager Frank Beaver brought to the Council a change order and final billing from Spruce Valley Corporation on the Industrial Park Project. Beaver explained the project. The change order is in the amount of \$1,330.00 for some addition pipe and work, which was approved earlier by the Council. BIDC had stated that they would pay \$10,000 towards the project. The original bid came in at \$51,818.25 plus \$13,286.00 for the add on, which totals \$65,104.25. Change order adds \$1,330.00, along with extra pipes, fittings and excavation brings the grand total of the project to \$82,529.50. Motion was made by Edevold to pay Spruce Valley Corporation the final payment of \$27,529.50 with the balance coming out of the Economic Development. Seconded by TeHennepe, passed unanimously.

Discussion was held on mileage reimbursement. Presently the City reimburses 34 ½ cents per mile. A letter has been received from CPA’s Lindahl & Cage that the IRS has announced mileage rate changes effective 7/1/08. Business has gone up to 58.5 cents per mile and medical & moving has gone up to 27 cents per mile. TeHennepe made the motion to follow the IRS guidelines for mileage reimbursements as of January 1, 2009. Seconded by Edevold. Mayor Loiland asked if the Council thinks this was raised due to high gas prices. TeHennepe stated she feels it may have been but it can go down with the gas prices. Mayor stated that he has found that things don’t go down once they go up. TeHennepe said it is not just the gas price but also the wear and tear on the vehicles. Motion was made and seconded, passed unanimously.

Department Reports: None from Liquor Store, Police Department, Zoning, or Fire Department.

Roads & Bridges: TeHennepe asked about if the pedestrian crossing signs have been ordered. Mayor Loiland stated that they had.

Public Utilities: Frank Beaver reported on activities in the Utilities Department. 74% of the gas has been locked in for the winter. Valves have been put in along the water shed at the fairgrounds. Beaver would like to Council to consider doing a water loop extension along the County Fair Grounds.

City Hall: Clerk reported that she had gotten an email back from David Drown and he is out of his office for two weeks. No material has been received yet on the area of a new tax district. A letter has been received from DOT concerning the traffic signals at the stoplights. Clerk gave a copy of the letter to the Public Utilities to inform them they are to replace light bulbs when needed, according to the contract between the City and DOT. A draft copy of the 2009 League of MN Cities Policies has been received and is at the Clerks Office for viewing.

Motion was made by Edevold to allow the City Hall to close at 2 p.m. on December 24th. Seconded by TeHennepe, passed unanimously.

Motion was made by Edevold to pay the outstanding bills except the bill to Clearwater County Highway Department pending the location of the billing. Seconded by Anderson, passed unanimously.

Committee Reports: Roads & Bridges-Mark Edevold. Edevold attended a transportation meeting in Bemidji on October 21st. to look at funding for Transportation Enhancement within the City. This also pertains to sidewalks, bike paths, and maybe incorporate the Park project into it. The City is too small an entity to apply for the grants, but they could go through the County. Dan Sauve was going to speak with the County Commissioners. Up to \$500,000 is available but will need a 20% minimum match. Projects will be done in 2013, and Sauve will come to the Council soon. Grant applications are due by February 17, 2009 for the 2013 project.

Mayor Loiland asked about the old Darst potato building. He feels the Council needs some direction on this because nothing is getting done on it. Attorney Rasmussen will be contacted to get something going. The Railroad Holding Company, who has it up for sale, will be told to either fix it

or get rid of it. Rasmussen will also be asked to write a letter to the County Health Board to get them involved by reviewing the building and ask them for their assistance. Sid Michel stated that he knows at one time that there was an underground fuel tank in the building. Dennis Danielson will be asked to check into the tank. Motion was made by Edevold to have a letter written to the County Health Department, Burlington Northern, and MPCA on the tank. Seconded by TeHennepe, passed unanimously.

Being there was no further business to come before the Council, motion to adjourn was made by Edevold. Seconded by Anderson, passed unanimously.

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
DECEMBER 9, 2008

The Bagley City Council met in regular session on December 9, 2008 at 7 p.m. in the City Council Chambers.

Present were Mayor LuWayne Loiland, Council Members John Sutherland, Karen TeHennepe, Mark Edevold, David G. Anderson, and Clerk Treasurer Colleen R. Lindgren.

Also present were Senator Rod Skoe, Al Rasmussen, Darin Halverson, Amanda Brustad, Leonard Stinar, Ruby Bergquist, Dianne Nowacki, Ruth LaFontaine, Rick Viktora, Sid Michel, Sylvia Larson, Nick Scherurs, Bill Pirkl, Francis Knable, and Shelly Gorham.

Motion was made by TeHennepe to approve the minutes of the previous meetings. Seconded by Edevold, passed unanimously.

Nick Scherurs, DOT, was present to speak about an upcoming project to be done in the City during the summer of 2009. DOT plans are to mill off the street 1 ½ inches the full width of the road starting at the railroad tracks on the south end of town and going three miles north of the City. There will also be 600 feet of curb replaced (bits and pieces), and two catch basins. Mayor said that he has shared some concerns with DOT, and would like to cooperate with them to get the work done. He is also wondering if any bids have come in. Senator Skoe said that he was at the meeting on the Councils request to make sure everyone is on the same page. He has spoken to Mayor Loiland and DOT. There are limited funds and the City might delay the project if you want significant changes. There are issues with the walkway from the downtown to the school. He would like to work with both groups to help the project go through. He does not know how the curb and gutter fits in. It would require dollars from the City if a significant amount of curb & gutter were included.

Bill Pirkl, DOT, said the scope of the project keeps growing. There may be a chance that the job or the in town project could be cut, it depends on the dollars. Mayor asked if it was possible to delay the project for a year and keep the funding in a designated fund. Pirkl stated that they could not. The dollars will be spent. They are looking at where they can scale back, but they are looking for more funds. The curb in the City needs to be addressed. DOT must also replace all pedestrian ramps.

Senator Skoe asked if they are looking at the issue of the student walkers. Scherurs stated that would be a separate project. If the City takes the lead, they will cooperate. Mayor Loiland stated that a group had gotten together at HRDC on road/walkway issues and the project would be looked at for 2013. It would be a split of 80/20 split, with Federal Dollars. Pirkl said that there are enhancement funds that could be looked into.

TeHennepe asked how often enhancements funds are available. She was told yearly if there are any funds.

Mayor Loiland said that it sounds like we do what we can, or do nothing. He is not excited about patching things, and would like to see the DOT take a look at what needs to be done a little more seriously. TeHennepe stated that going north there is a lot of elderly walking and something needs to be done. There are also a lot of school children walking in the area. Mayor asked if the City was still on the list to get the work done. Scherurs said that every year there are designated dollars and an update of the costs was given to the Council. The split is 80/20.

Senator Skoe asked about marking crosswalks that should not be that big a deal. TeHennepe stated that there are 3 or 4 streets that need to be marked. Scherurs asked that a list be made of the streets that need to be marked.

Scherurs gave the Council a copy of the proposed costs of the project. State share would be \$57,034.61 for the work done in the City. City cost is \$17,053.77 which federal dollars would be received on this part, so the City would only be paying approximately 20% on the \$17,053.77.

Shelley Gorham, MN Dept. of Natural Resources, was present to speak with the Council about deer in the City limits. Discussion was held about a feeding ban put on. The City of Bemidji sent out surveys to see what the people thought and Gorham thinks this is a good place to start. A

roadside census could also be done. She asked about any good spots in the City for hunting. People noticed right away when the feeding ban was put on. Council needs to educate the neighbors around the city limits. It should be up to the Police Department to decide where people could do archery hunting, by permit. TeHennepe asked about how extensive a background search do they do to give out the permits. Gorham stated that it is like a job search background check. The City of Bemidji set up a "Deer Committee". Leonard Stinar asked how many cities in MN have done this. Gorham answered less than two dozen. Mayor Loiland asked if the Council wants to do something in three months, could the PD do so? Gorham stated that if there is a real emanate need, maybe. They would like to see something else done first such as a feeding ban. TeHennepe asked when the survey was done and how long before they were to get it back. Gorham was unsure to this. TeHennepe likes the idea of setting up a committee and to do the survey right away.

Al Rasmussen spoke with the Council about a potential Enhancement Bike Trail. County Engineer Dan Sauve figured up a quote on what it would cost, which is \$130,315.00. The City cost would be around \$26,000. This would need to be budgeted for by 2013. The County has to oversee the project. This would be state money that is set aside to improve trails & paths such as the Safety trail/bikeway/walkway from the elementary school to the high school. The County would be interested in the sponsorship but they are not promising any funds. The Fair board may be interested is the path crosses their property. Rasmussen stated he does not know at this time of any drawings for the project. Motion was made by Edevold to put an application together asking the County to be the sponsoring agency for a "School To School Safe Trail Project", for the City of Bagley. Seconded by TeHennepe, passed unanimously.

Rasmussen also spoke about building a home for Habitat for Humanity in the Kastner Division. Cliff Kastner is willing to donate a lot for the home. Thrivent has agreed to sponsor the project at a cost of \$260,000 and NorthWoods Habitat will be putting in \$25,000. Rasmussen asked if the City would be willing to wave the hookups for the home. Edevold stated this would be a Public Utilities question. Rasmussen also asked about the special assessments and if they could be waived. Edevold stated that he does not think that the assessments can be waived and he does not think they should be. Mayor asked if the City could pick these up on their own. Anderson asked if the people who buy the house could pay the assessment. It would be part of their property taxes. North Woods Habitat would be the landowner. When taxes come due, they would need to pay the assessment.

Rasmussen also brought to the Councils attention that the Federal Economic Development Administration is putting together an inventory of public infrastructure projects. They would like this done by December 12th. Mayor stated that he feels the DOT could come up with a number. Rasmussen was asked to pursue this with DOT.

Department Reports: Liquor Store: Councilman Sutherland stated he has spoken with Manager Ken Moen. The numbers for the month are up and sales have been good.

Fire Dept: Rick Viktora, Fire Chief. Firemen elected the following as Officers for the Fire Department: Chief – Richard Viktora; 1st Assistant Chief – Tony Marty; 2nd Assistant Chief – John Gerbracht; Training Officer – Todd Brustad; Secretary – Dan Hecht; and Treasurer – Tony Merschman. Motion was made by Anderson to approve the slate of Officers. Seconded by Sutherland, passed unanimously.

Viktora reported that in the past year a letter has been received from the State Auditor that the Fire Department should not have their own checkbook. All funds should go through the City books. One checkbook has in it the equipment funds, funds that have been raised from the firemen's ball and donations. The other checkbook is the one, which the firemen are paid out of, and includes fines and a TV fund, which has been going on for a number of years. The City Auditor has made it known that these funds can be put into the Relief Association general fund account and can be used for special equipment. The checkbooks will be closed out within a very short time and the Clerk will be taking over the payroll for the Fire Department. Mayor Loiland questioned future funds generated from the Firemen's Ball. Do these need to go through the City books? Viktora and Lindgren both stated that these funds will go into the Relief Association general fund checking account and will be used for special equipment. According to the Relief Association By-Laws, if the Fire Dept. budget comes up short, funds can be transferred from this account to the City. Viktora stated that the closing of the accounts should be done this year. Clerk informed the Council that it is the State Auditor that says this needs to be done and after speaking with the City Auditor, she agrees with what Viktora has told the Council. Motion was made by Edevold to close the two checking

accounts the Fire Department has and to put the left over funds into the Relief Association General Fund Account. Seconded by Anderson, passed unanimously.

Viktora brought up the proposed July 4th bon fire for the All School Reunion. If the bon fire is held on July 4th, the firemen cannot help with it due to fireworks. They feel that any other night would be OK. On the Getchell Ave. lot, there are no overhead utilities so this seems like a good place to hold it. Clerk Lindgren explained the insurance issue. If the City were to sponsor the bon fire, then City insurance would cover it. If the bonfire is sponsored by the All School reunion group, they are liable for the insurance and we need a certificate. If they do not have insurance, then each person on the group could be held liable if there was an accident. Police Chief Halverson had a concern on if there is going to be a definite ending time? This will be a residential area and there may be an issue with parking. He would rather see it in the fairgrounds. Viktora stated there is a risk factor with the pond located in the back of the lot. Council preference is to have the bon fire at the fairgrounds. They would like to look at the best possible spot for it.

Public Utilities: Frank Beaver, Manager. Beaver gave an end of the year report. Sewer leak by the Laundromat has been fixed. Hydrant flushing is done. Gas has been locked into at 75%. Beaver gave an update on the Industrial Park. The water leak has been fixed and the sewer has been televised. The construction company was unable to do the televising, so Beaver found a company to do the work. Billing for such has not been received yet. Beaver also handed in his final billing on the project, in the amount of \$600.00. Beaver will pay Public Utilities \$238.12 for D. Danielson's time spent on the project, plus a billing to the Farmers Independent for extra copies. Motion was made by Edevold to approve final payment to Beaver in the amount of \$600. Seconded by Anderson, passed unanimously.

One Flower Basket quote was received from Francis Floral. Cost per basket would be \$55.00 with a total of 55 baskets for \$3,025.00. This will be discussed further later in the meeting when the budget is discussed.

Clerk informed the Council that David Drown would now be able to meet with the Council on setting up a TIF District for housing areas. Meeting was set for December 19th at 6:30 p.m. Clerk will get hold of Drown to see if that would work.

Clerk has received notice that the Pay Equity report is due to the state by January 31, 2009. Council was informed on how the report is done. Clerk asked if any of the Council wants to work on it, or if she is to do it and bring to the Council for their approval. Council asked that the Clerk do so.

Clerk informed the Council that the League Leadership Conference would be held in Nisswa and January 9 & 10, 2009. Cost is \$220 for experienced members and \$285. for newly elected members. All members have expressed that they would like to go and will get hold of the City Clerk for confirmation.

Discussion was held on the proposed 2009 wages. R. Bergquist would like to see the Council put a freeze on wages. Mayor stated that \$1.25/hour has been proposed for the department heads & street crew worker, A. Spring-.50; dog pound-3%; F. Jacobs-\$1.00 adjustment plus \$1.25/hour; Liquor Clerks-.75; part-timers-.50; zoning board-from \$25 per meeting to \$35 per meeting. And for the charging of services for the cemetery, the proposed amount to charge is \$50.00 for summer staking instead of \$25.00 and for winter it would go from \$50.00 to \$100.00. Mayor feels that after the last discussion, these numbers need to be revisited. He knows the insurance is a huge amount of the increase but he would consider seeing the \$1.25 reduced to \$1.00. Mayor discussed the deficit and feels that LGA will be cut next year, so he believes the City will not see a lot of income. Discussion was held on the amount of health insurance and costs. Edevold stated that he is comfortable with the numbers, which were proposed. He does not feel that the employees will be getting much in the pocket money. R. Bergquist stated that taxpayers are not getting a raise. A. Brustad said that was a large % increase. Mayor would like to look at whole amount as an increase. He feels this should be run like a business. TeHennepe explained County wages and benefits. She feels the Council is looking out for the best for the employees. A lot of employer's health insurance is going up. Mayor said there is still a large increase and it all must be looked at as a total package. Edevold stated that it must be looked at as an increase in labor burden, which is different than an increase in compensation. TeHennepe would like to look at other ways of doing the health insurance. There are some companies that allow the employees so much towards their health

insurance and then they find their own. Clerk explained how the insurance is figured and where it is gotten. Mayor would still like to have the wage dropped from \$1.25 to \$1.00. Edevold made the motion to approve the wages as previously presented. Mayor called for a second. Mayor called for a second to the motion again. Motion failed.

Motion was made by Sutherland to set the wages at \$1.10 per hour from \$1.25. Mayor asked if Sutherland wants to keep the rest of the wages as proposed? Sutherland asked if Jacobs would be given the title of Deputy Clerk. Mayor stated that on the last discussion he had proposed to drop Jacobs's wages to 50 cent increase. TeHennepe stated that in the past the Council has talked about doing adjustments on Jacobs, and she is in favor of leaving the \$1.00 adjustment on, due to feeling she is underpaid. She has been doing a good job, and has gotten high ratings from the Auditors plus has been very valuable to the City Clerk. Loiland is in agreement but feels the Clerk needs to let some of her responsibilities go to Jacobs and train Jacobs in more. Discussion was held on putting Jacobs on as Deputy Clerk or not. Sutherland motioned that the wages be set at \$1.10 per hour for all those proposed at \$1.25, Jacobs get the \$1.00 adjustment plus the \$1.10 increase, and all others get the proposed wages as stated earlier. Edevold seconded the motion, passed unanimously.

Discussion was held on the Proposed 2009 Budget. Clerk stated that there would now be many changes to be done on the Budget due to wages being changed. Mayor Loiland asked what the overtime for City Hall was for. Clerk explained that this is for the 40-hour comp time that city employees are able to utilize. Clerk explained how she usually could take time off during the day when there are night meetings, but not always. Anderson would like to do some changes in the beautification budget. He asked what the Beautification Committee does, and if they should not be coming up with some funds from donations. He told how Clearbrook has done fundraisers to get money for the flowers. Clerk stated that C. Schmitz has gone to the Rotary and other groups to help raise funds. He thinks that the City may not need as many baskets or go to one per pole. He hears that people want to cut down on the flowers. Sutherland asked if Anderson is looking at cutting the budget in half. Michel asked about just doing three blocks from the stoplights. TeHennepe would like to see more than 3 blocks each way. Michel also asked if the City could afford the flowers? It is not helping the taxpayers.

Motion was made by Edevold to extend the time of the meeting to 9:30 p.m. Seconded by TeHennepe, passed unanimously.

After much discussion, motion was made by Anderson cut the Beautification budget from \$6,500 to \$3,500. Mayor asked for a second. More discussion was held. TeHennepe talked of even cutting \$2,000 off the budget and see if the Beautification committee could solicit some funds or make further cuts. Anderson amended his motion to cut \$2,000 from the Beautification Budget. Seconded by Sutherland, passed unanimously.

Roads & Bridges – wages will be cut to reflect the changes.

Edevold is concerned about the 2008 LGA proposed cuts and what is going to happen to the 2009 LGA. Mayor Loiland does not think this is going to happen, Clerk stated it is already happening. Edevold does not want to cut the budget to the barest bones because there would be no cushion left to use or cut when the State does say there will be a cut in LGA. The cuts made now will show up on the Levy certified to the County Auditor. Mayor Loiland stated again that he does not feel there will be any cuts this year. He feels the Council now needs to jump to the large areas and look into making cuts. He asked to start with the City Park budget. Edevold feels that the Park budget is the cushion in which cuts can be made later. Clerk informed the Council what the Park Board has proposed to put in the park budget. \$15,000 for Life Guards, 2 docks in the swimming area at \$8,000, 1 small slide & 1 large slide - \$3,000; signage to promote the park - \$2,000, boat ramps/fishing dock - \$10,000, water in the camping area - \$2,000 and \$5,000 towards the ball fields. Larry Bellefy will be getting a plan to the Park Board on what the ball players would like to see at the fields. Mayor would like to cut out the Lifeguards from the budget, which is \$15,000 and allocate that money towards infrastructure. There is more liability with guards, than without. Docks in the swim area were discussed and whether or not they would be aluminum. The small slide would be in the shallow area. Mayor still would like to take the designated dollars for lifeguards out and put those dollars towards infrastructure. A. Brustad stated that the Park Board has ordered two 8X12 rafts, and this will come from the 2008 dollars. D. Nowacki asked why they couldn't just put \$5,000 in the '09 budget. She was always told that the plan made up for the park was a proposed plan. Michel said he is not against the park being developed, and there is no doubt that it all can't be done.

TeHennepe stated that there has been money set aside in past years to upgrade in the park. It is not a jump of \$30,000, but it is a ballpark number to get something done in the park. The Lifeguards may be the area that needs to be addressed first, but she would like to leave the dollars in there.

Motion was made by Sutherland to extend the meeting by 30 minutes. Seconded by TeHennepe, passed unanimously.

TeHennepe fully agrees with the development of the park. People on the Park Board have done a good job and see where the dollars are needed. As for the lifeguards, they may not be needed. A. Brustad said her thought is that the School Reunion is coming up and people will see that the City really is doing something with the Park. She would really like to see the signage get done for sure. She would also like to see the water for the campsites revamped. She would also like to see the ball field stuff kept in and the boat landings need to be redone. TeHennepe sees the beach and lake as an enhancement to the City. Discussion was held on camping and the use of the park. The park revenue is not going to cover the costs of the park upkeep. Mayor asked if there was any motion for the park budget. Sutherland stated that he would personally not like to see all the hits in one year, that is a lot. Motion was made by Sutherland to drop the Park Upgrades to \$10,000 instead of the \$20,000, and leave the Recreation Complex at \$10,000. Also put the lifeguard funds into the Economic Development for infrastructure funds. Seconded by Anderson, passed unanimously. Discussion: TeHennepe stated that due to looking at forecasts, she is in favor of moving the dollars for the guards, but not in favor of cutting the \$10,000. Sutherland asked if the Park Board has asked the County Board or the Township Boards for funds. TeHennepe stated not at this time but they are looking for grants, but they need a matching dollar amount for these. Mayor asked for a vote on the motion. For: Anderson, Sutherland. Against: Edevold, TeHennepe. Mayor voted for the motion. Motion carried.

Motion was made by Edevold to approve the 2009 Budget with the cuts to the wages in each department and the \$10,000 cut in the City Park. Seconded by TeHennepe, passed unanimously.

Motion was made by TeHennepe to approve the 2009 Levy at \$493,469.00. Seconded by Sutherland, passed unanimously.

Motion was made by Anderson to approve the following 2009 Dance Permits: Bagley Senior Center, S&K Bar & Grill, and the Bagley American Legion. Seconded by Edevold, passed unanimously.

Motion was made by TeHennepe to approve the 2009 Bagley American Legion Club License. Seconded by Edevold, passed unanimously.

Motion was made by Anderson to approve the 2009 Liquor License for S&K Bar & Grill, Main Street Tavern, and Great Northern Bar & Grill. Seconded by TeHennepe, passed unanimously.

Motion was made by Sutherland to approve the 2009 Sunday License for the Bagley American Legion and S&K Bar & Grill. Seconded by Edevold, passed unanimously.

Motion was made by Edevold to set the 2009 Regular City Council Meetings on the following dates: (second Tuesday of each month) January 13, February 10, March 10, April 14, May 12, June 9, July 14, August 11, September 8, October 13, November 10, and December 8th. Seconded by Anderson, passed unanimously.

Annual meeting of the City Council will be held on January 5th, 2009 at 8 a.m. in the Council Chambers.

Motion was made by Anderson to approve the Gambling License for Bagley Ducks Unlimited. Seconded by Edevold, passed unanimously.

Motion was made by Edevold to approve the payment of the outstanding bills. Seconded by TeHennepe, passed unanimously.

Being there was no further business to come before the Council, motion to adjourn was made by TeHennepe. Seconded by Sutherland, passed unanimously.

LuWayne Loiland, Mayor
John Sutherland, Mayor as of 1/1/09

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer