

CITY COUNCIL PROCEEDINGS
ANNUAL MEETING
JANUARY 2, 2007

The Bagley City Council met on January 2, 2007 for the 2007 Annual Meeting.

City Clerk Colleen R. Lindgren administered the Oath of Office for Mayor to LuWayne Loiland. Oath of Office for City Council Members was then taken by David G. Anderson and John Sutherland.

Mayor LuWayne Loiland opened the meeting at 7 p.m. Members present: Mayor LuWayne Loiland, Council Members Karen Anderson, Mark Edevold, David G. Anderson, John Sutherland, and Clerk Treasurer Colleen R. Lindgren.

Also present: Jody Loiland and Elaine Loiland.

Motion was made by Edevold to approve the last meetings minutes. Seconded by K. Anderson, passed unanimously.

Mayor Loiland thanked everybody for being on the Council. He is looking forward to the next couple of years. There will be challenges, and there will be differences on how to accomplish them, but he feels the City has a great group of people representing them.

Mayor Loiland appointed John Sutherland as Vice-Mayor for 2007.

Mayor Loiland appointed Council Members to the following boards: Parks & Recreation-Karen Anderson; Liquor Store-John Sutherland; Buildings/Transportation-David G. Anderson; Roads & Bridges-Mark Edevold, and Public Safety will be the Mayor himself.

Motion was made by Edevold to appoint Al Lindahl to the Public Utilities Board for 2007-2009. Seconded by D. Anderson, passed unanimously.

Motion was made by Sutherland to appoint Attorney Ed Rasmussen as City Attorney for 2007. Seconded by Edevold, passed unanimously.

Motion was made by K. Anderson to appoint Colleen Lindgren as Cemetery Sexton for 2007. Seconded by Sutherland, passed unanimously.

Motion was made by D. Anderson to appoint the following people to the Library Board for 2007: Anna Larson, Shirley B. Beltz, Terry Knutson, Carmen Collins, and Debbie O'Shea. Seconded by K. Anderson, passed unanimously.

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

Motion was made by Edevold to approve the Mayor to sign the contract with County Attorney Kip Fontaine for City Prosecution Services. Seconded by D. Anderson, passed unanimously.

Motion was made by Sutherland to pass Resolution #1-07 OFFICIAL NEWSPAPER. Seconded by K. Anderson, passed unanimously.

Motion was made by Edevold to pass Resolution #2-07 OFFICIAL DEPOSITORY. Seconded by Sutherland, passed unanimously.

Clerk informed the Council that registration has been paid for four Members to attend the Leadership Conference being held in Grand Rapids on January 12 & 13, and a room has been secured.

Police Chief Steve Haugen will be asked to attend the next regular Council meeting so that members can speak with him about his upcoming retirement and what to do with the Police Department Chief position.

Clerk informed the Council that she was called on a rumor going around that the City was looking at purchasing Kubiak's Grocery Store to move the Liquor Store into. She told the caller that there has been no talk at any Council Meeting to do so.

Being there was no further business to come before the board, 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
JANUARY 9, 2007

The Bagley City Council met in regular session on January 9, 2007 at 7 p.m. in the Bagley City Council Chambers.

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

Also present: Keith Larson, Keith Kubiak, Steve Haugen, Ken Moen, Alden Wold, Curt Meyer, Attorney Ed Rasmussen, Cliff Kastner, Arnie Teige, and Rick Viktora.

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

Motion was made by K. Anderson to approve the Gambling License for the Clearwater County Agriculture Society. They are again planning to sell raffle tickets/calendars to raise funds. Seconded by Sutherland, passed unanimously.

Keith Larson was called upon concerning a letter written to the City Council, from Wee-Care Center, on concerns of the Kastner Division, Verna Street, and the proposed new Kubiaks Family Foods. Both Verna Street and Spencer Avenue should be improved due to the increase in traffic, which will be going through the area once the grocery store is built and more new homes come up in the area. Larson wants to know what, where, and when and if anything is going to be happening. A meeting was held between Engineer Meyers, Keith Kubiak, Cliff Kastner and Mayor Loiland. Councilman Sutherland asked what was discussed between this group. Larson said they just basically discussed what they feel needs to be done. Example is the width problem on Spencer needs to be wider being the grocery store is coming in and traffic will be largely increased. Engineer Meyer stated that Spencer is currently a 32-foot road. Larson stated there will be more runoff water and this will go to Verna Street, and Wee-Care does not want the water in their lower part of their lot. This group is saying the roads need to be built up and asking what is going to be done with them. Mayor Loiland asked if there had ever been a traffic count done. Larson stated that there has not been a physical count but for Wee-Care, new residents and present residents, there must easily be 200 cars per day.

Keith Kubiak stated that Spencer is the most important thing for him. When he builds he has to account for his storm sewer water. Will it go into Kastners storm sewer or be pumped up to Highway 2? With pumps, it would be very expensive. Engineer Meyer stated that MPCA has not approved the pumps, which the group had spoken about earlier. Kubiak stated that the pond in Kastners has been approved and cleared but MPCA would want it capped and it must pass inspection by them. Kubiaks main problem is storm sewer and he would rather see assessments on his property instead of going with pumps and water testing. His project is all ready to go except for what is happening in the road area and his storm sewer. The water line is located on his property. If the line were abandoned, then he would have more room to build. Teige got hold of DOT on the alley entrance, and Kubiak cannot apply for a permit because the last 20 feet of the alley belongs to the City. If he were to build a road on his property, then he can apply to DOT. He is at a standstill until he knows what will be done to Spencer and how the water will be controlled.

Cliff Kastner stated that if Spencer Ave. gets done he would like to see it done to Valley Street so this would open up some of the lots he owns, to be built on.

Edeveold said that some hard lines and numbers need to be put down on paper. He feels the whole area should be done in one shot and do all the work at one time. One question is how high is the road going to be? There have been lots of speculations at this time. There are lots of issues to resolve. Where does the money come from? It is hard to discuss now when these issues are there. Mayor Loiland asked if there were any plans drawn up? Engineer Meyer stated that the plat is done. Some elevations have been looked at but there is no locked in profile on the road at this time.

K. Larson stated that he realizes that the Council is in a tough spot. His concern is that a legitimate business may not expand due to no decisions being made. He would like to see language tonight that the City is going to go ahead with the project. Kubiak and Kastner have the most to lose. Kubiak has been working on this for 1 1/2 years.

Mayor Loiland stated we need to do what we can, but we can't do it tonight. Edevold and Loiland will sit on a committee to get something going. They want to see progress and will bring something to the Council at the next meeting.

Meyer stated that it will have to be Special Assessments and the City of Bagley does not have a formal policy. A feasibility study will need to be done along with Public Hearings for all landowners. It takes 1 1/2 weeks to get the feasibility study done and the cost is \$1,000 to \$1,200. Will need to give the people an idea at the Public Hearing on what will be assessed. After the public hearing the Council would decide whether or not to order the project. It takes about 6 1/2 weeks to get the construction documents done and then advertise in April. Edevold stated that something needs to be developed in order for the Council to act on anything. It is going to take a little time to do this.

Street Superintendent Teige will need to be involved. Recommendation on width of the road will need to come from the City. Teige stated that when you just do spots they never turn out as good as if you do the whole thing at once.

Kubiak asked when the feasibility study gets done, will this give him road heights. Meyer stated that heights would not be available until 2 to 3 weeks into the design. This would be about the last week in March. Edevold stated that he feels something should be known by the end of February. Mayor Loiland stated that a group needs to be gotten together to see what exactly is needed to be done. Meyer and Kastner explained the plat of Kastner Sub-Division.

Kastner asked what is happening to Verna Street, which is located on his and Wee-Cares land. Road is not in the easement. Attorney Rasmussen stated that Verna Street is a 20-foot alley. His opinion is that the utilities are in the legal 20-foot alley but the road has moved over the years. He feels the City has acquired the land by adverse possession and the road is City property. Question is does the City want Verna to be an alley or a road. Edevold stated he does not believe the City owes Kastner any money, the road is the City's. A letter had been received from Kastner's Attorney requesting \$5,000 from the City for Kastner's lot which the City road runs over. Edevold made the motion to have the City Attorney write a letter to Kastner's Attorney, stating that the City Council acknowledges his letter but has tabled it at this time. Seconded by K. Anderson, passed unanimously.

Motion was made by Edevold to approve Resolution #3-07 ACCEPTANCE OF DONATIONS. Seconded by Sutherland, passed unanimously.

Motion was made by Edevold to table Resolution #4-07 APPOINTMENT OF A HOUSING AUTHORITY COMMISSIONER, until the next regular City Council meeting. Seconded by D. Anderson, passed unanimously.

Motion was made by Sutherland to approve a Dance Permit for the Bagley Senior Citizen Center for 2007. Seconded by K. Anderson, passed unanimously.

Department Reports: Liquor Store-Ken Moen. Year end came out the same as the last two years. Sales were up 1 1/3% but profits were the same. Store generated 20% more over the year. Motion was made by Sutherland to put the left over Capital Outlay funds of \$14,236.45 into a reserve fund for the liquor store. Seconded by D. Anderson, passed unanimously.

Griggs, Cooper & Co. is having a spring wine & liquor trade show in Nisswa on Thursday Feb. 22. Moen asked permission to send Chris Arnold to this training and paying for his time and mileage. He will be taking a designated driver with him. Motion to do so was made by Sutherland. Seconded by K. Anderson, passed unanimously.

Fire Department: Rick Viktora, Chief. Viktora went over the Fire Departments 2006 Annual Report. Training Officer duties will be taken over by the Chiefs. Motion to accept the report was made by D. Anderson. Seconded by Sutherland, passed unanimously.

Viktora and Police Chief Steve Haugen, reported that there are two used light bars at the State Highway Patrol Office which could be utilized by the Fire Dept. Cost is \$125.00 apiece. All that is needed is a letter from the Fire Chief and they can be purchased. These funds can be taken out of their budget.

Zoning: David Anderson reported for Howard Moore. The Zoning Board had met in December and discussed an Amendment to the Zoning Ordinance. This amendment has to do with Damage To Nonconforming Structures, the restoration or reconstruction on any nonconforming structure. The present ordinance states structures must be built on 100 foot lots, but most homes in the City are built on 50 foot lots. Insurance companies are unable to insure homes in the city due to the ordinance regulations, and this amendment would allow homes to be fixed or rebuilt on the same foundation, if permit is applied for in 180 days, and the home was damaged by natural disasters. Motion was made by Edevold to approve the amendment to the ordinance, changing the wording from building permit to land use permit. Seconded by Sutherland, passed unanimously.

Roads & Bridges: Arnie Teige, Street Superintendent. Nepean house south of the tracks has been taken down. There is a little clean-up yet to be done in the spring. D. Danielson and F. Beaver from the Utilities Department, are checking into getting the well capped and the septic has been pumped and filled with sand. Recertification for mosquito control is needed. Schooling dates are not known yet. Motion was made by D. Anderson to send Teige to schools to get recertified. Seconded by K. Anderson, passed unanimously.

Police Department: Chief Steve Haugen. Needed for doing reports by transcribers are digitel recorders. Cost is \$369.00 plus freight. Dept. can get by with one. Annual support costs \$75.00 per year, but Haugen will check into this further because they may be able to go through the Counties annual support contract. Motion was made by Edevold to approve payment of one recorder and get what it needs. Seconded by Sutherland, passed unanimously. Monthly report was discussed.

Discussion was held on a handi-cap parking spot in front of Thrifty White Drug. It is a very congested area and it is a safety issue. Haugen would like to see the last parking spot on that side of the street be designated for handi-cap parking. Teige stated that signs would need to be put up and he would need to talk to DOT to see if any permits are needed. Motion was made by Sutherland to approve the handicap spot in front of Thrifty White. Seconded by D. Anderson, passed unanimously.

Motion was made by Edevold to remove the handicap parking spot in front of the Farmers Independent. After discussion, Edevold recinded his motion, and the Farmers Independent will be talked to before the spot is removed.

Public Utilities: Mark Edevold. There will be restructuring of utility rates. Utilities Commission is upgrading the utility maps. Tentatively looking at doing work on Brown and Oak, lining of sewers. Manager Beaver is working with Cliff Kastner in his Sub-Division. Also someone is looking at building on the Tharaldson property near the lake. Also looking into an Industrial Waste useage ordinance.

City Hall: Clerk Colleen Lindgren. A copy of the Minnesota City Finances report, from the State Auditors Office, is on file at City Hall. City Reports and receipts were discussed.

A letter was received from Sheriff-Elect Mike Erickson stating he will work with the City when and if it comes a time when they want to talk about Contracting with the County.

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

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

Committee Reports: Parks & Recreation-K. Anderson. There will be a park task force meeting held on Jan. 30th in City Hall.

2006 Park Attendants have called and will be putting their application in for 2007. Park Cleaners applications are also being put in.

Mayor Loiland asked the Clerk to check into whether or not the City Auditors could do the Firemens Relief Audit at the same time the City Audit is done.

Street Superintendent informed the Council that the permit he had looked into for the alley that Keith Kubiak would like to have done, has a \$1,000 fee on it. This is a deposit to the state. Edevold stated that this cost would need to be paid by Kubiak.

Mayor announced that the Council Meeting at this time, 8:42 p.m., will be closed to discuss Police Department issues with Chief Haugen.

Meeting was reopened at 10:34 p.m. by Mayor Loiland. All members present except David G. Anderson.

Discussion was held on working with a three-man schedule for the Police. Motion was made by Edevold to have a three-man schedule as early as possible, according to Union contract. Seconded by Sutherland, passed unanimously.

Mayor Loiland will meet with the current employees to inform them that on the issue of contracting, there will be no contract for our employees in 2007. Employees will be talked with before any contracting is done between the City and the County.

Motion was made by K. Anderson to meet in a closed meeting with Assistant Chief Darin Halverson, after the next regular City Council meeting. Seconded by Sutherland, passed unanimously.

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

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

Bagley City Council Proceedings
February 13, 2007

The Bagley City Council met in regular session on February 13, 2007 at 7 p.m. in the City Council Chambers.

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

Also present were Al Rasmussen, Alden Wold, Arnie Teige, Darin Halverson, Curt Meyer, Larry Peterson, Frank Beaver, Tony Marty, Marvin Edelback, and Cliff Kastner.

Motion was made by Edevold to approve the minutes as read. Seconded by D. Anderson, passed unanimously.

Al Rasmussen was present, to speak about the Bagley Lions Fishing Derby. The Fishing Derby will be held on Lake Lomond on February 25. He has been working with the Health & Wellness Fitness Initiative. The group would like to make a skating rink during the derby for the public to use. Clerk stated that the Lions Certificate of Insurance should cover the project. Rasmussen is asking if they can have the skating rink and if the City Crews could build it. Street Superintendent Teige stated that the City equipment is too heavy to go on the ice. They would like to have it on the lake, close to the fishing derby. Members suggested that Rasmussen find volunteers to plow up a rink. Motion was made by Edevold to allow the construction of the skating rink on the lake, pending receipt of certificate of insurance. Seconded by K Anderson. Passed unanimously. K. Anderson asked that the Clerk check into the City League of MN insurance on whether or not the rink needs to be destroyed after the derby.

Rasmussen updated the Council on projects he is working on. The old lumberyard across from Dairy Land will be torn down. He is working with Alpha Development on a JOBZ area for an assistant living building. He is also working with Headwaters Meat Processing. They are looking into an area on the west end of town, which may need annexation for sewer and water.

WSN Engineer Curt Meyer brought before the Council a proposal for a preliminary engineering report on Spencer Ave., Verna Street, Willborg Ave., Valley Street and Evergreen Drive. Cost of the feasibility study is \$1,200.00 and could be done by the end of the following week. Question that needs to be answered is how does the Council want the Assessments done? Cost estimate needs to be done but does not have to be exact. Member Edevold gave an overview of the project for the Kastner Sub-Division and surrounding area. Spencer Ave. needs to go to a 50-foot right-of-way with a 32-foot road. Verna Street does not need to be updated but there is a drain line that will need to go through Verna Street. Kubiak is time sensitive; he needs a project done and decisions made. Both Wee Care and Kastner have a desire to get the project done but not a pressing need. They would also like to see Willborg Ave. done. Discussion was held on who would be paying for the engineer study, and the general consensus was to have the three interested parties, Kubiak – Kastner – Wee Care – pay for the study at one third each. Talk was also held on having a special meeting on February 20th to set the special assessments and then have a Public Hearing on March 14th. Motion was made by Edevold to pass Resolution #5-07 RESOLUTION CALLING FOR PREPARATION OF A FEASIBILITY STUDY ON THE PROPOSED SPENCER AVENUE, VERNA STREET, WILLBORG AVENUE, VALLEY STREET AND EVERGREEN DRIVE – STREET AND UTILITY IMPROVEMENTS. Seconded by Sutherland, passed unanimously.

Motion was made by K. Anderson to hold a Special Council meeting on February 20th at 6 p.m. to work on a Special Assessment Policy. Seconded by Sutherland, passed unanimously.

Motion was made by D. Anderson to hold a Special Council meeting on February 21st at 6 p.m. to discuss the before mentioned project and set a Public Hearing date. Seconded by K. Anderson, passed unanimously.

Edevold asked Meyer when the Council should get hold on Todd Hagen from Ehlers & Associates, to speak about financing the project. Meyer will be speaking to Hagen this week so he will also ask him on Bagley's project.

Mayor Loiland asked the Clerk to open the Gas Bids. One was received from Marty Brothers, Inc.

Ethanol/unleaded 10 cents per gallon above cost. Diesel fuel No. 2 10 cents per gallon above cost. Motion was made by K. Anderson to accept the bid of Marty Brothers. Seconded by Sutherland, passed unanimously.

Motion was made by D. Anderson to pass Resolution #4-07 RESOLUTION APPOINTING A COMMISSIONER TO THE HOUSING COMMISSION, appointing Ruth LaFontaine to the position. Seconded by K. Anderson, passed unanimously.

Department Reports: Tony Marty, Fire Department. Marty asked for permission to send three firemen to a Technical School in Moorhead on March 10 & 11th. Cost is \$85.00 per person plus room and board. Motion was made by Edevold to approve sending up to 6 firemen to the training. Seconded by K. Anderson, passed unanimously.

Marty also brought before the Council a proposal to have a new sign made for the outside of the Fire Hall. A quote has been received from Moose Creek Graphics. Motion was made by Edevold to accept quote # 2 but to use reflective vinyl in place of the premium vinyl. Seconded by K. Anderson, passed unanimously.

A Doctors report from Chief Rick Viktora has not been received as of this date.

Police Department: Darin Halvorson, Assistant Chief. Monthly reports were handed out. A three-man schedule was also given to each member. Between the City Police, Clearwater County Sheriffs Dept., and the Clearbrook Police, they are applying for a grant through the Dept. of Public Safety – Safe & Sober Grant. This pays for wages and benefits towards enforcement activities. A mini grant will also be applied for in October towards enforcements.

Roads & Bridges: Arnie Teige, Superintendent. Teige attended an insecticide school in Fargo on February 6th. The Mosquito School which he needs to attend to be certified to spray for mosquitoes will be held on April 12th in St. Paul. His license will then be good for two years.

Zoning – Clerk Lindgren went over the 2006 Annual Report. 20 residential permits, 1 commercial permit, and 1 public facility permit were approved. Total construction added up to \$580,650.00.

Public Utilities – Frank Beaver. Beaver reported what construction is happening at the new Sub-Station. Maps are being updated and sewer and water on Oak and Brown will be looked into this summer.

City Hall – Colleen Lindgren, Clerk. Lindgren reported that City Attorney Rasmussen has started a small claims report against a parcel of property, which the City purchased and the taxes were not paid.

A breakdown was given to the Council, on the dividend check in the amount of \$5,460.00, which was received from the League of MN Cities Insurance Co.

Discussion was held on a request from Tom Riewer, Team Industries, asking if the Council would consider refinancing their balloon payment or do they want the whole payment now. Motion was made by Edevold to request the balloon payment in full at this time. Seconded by D. Anderson, passed unanimously.

Clerk went over the year-end reports and also her advise on the transfer of funds in the accounts to zero out departments for the end of the year. Transfer advice is as follows:

Fire Department to Fire Dept. savings - \$10,543.17

Cemetery to Police Dept - \$1,394.85

Zoning to Police Dept - \$1,018.31

Airport to Police Dept – 775.64

Roads & Bridges to Police Dept - \$21,800.47

Economic Development to City Hall - \$466.96

Clerk also advised designating the following funds:

Ball Field Complex funds - \$4,595.77

Fire Dept. truck account - \$94,336.75

Cemetery Improvement funds - \$21,050.45
Roads & Bridges truck account - \$45,447.50
Revolving Loan Fund #1 - \$145,058.73
Revolving Loan Fund #2 - 120,539.57
Revolving Loan Fund #3 - \$19,551.62
Beautification Foot Bridge Fund - \$1,400.00
Fireworks Funds - \$2,099.94
VFW Donation – Vets Stone Repairs - \$1,500.00
D.A.R. E. – \$38.81
Park Upgrade Funds - \$13,279.80
Economic Development Funds - \$5,318.32
Police Dept. Handicap Entrance - \$8,000.00
Police Dept. Car Fund - \$6,000.00

Historical Structures - \$500.00
Demolition of old City Garage - \$2,000.00
Industrial Park Funds - \$63,893.70
General Fund Account - \$912,624.93

Clerk explained the Industrial Park Funds. These dollars were left over from the bonding done to do the project in the Industrial Park. There were no change orders and the contingencies were not used. Todd Hagen, Ehlers & Associates, has stated that these funds could be used to do more expansion in the Industrial Park or transferred to another project, but they must be used on a project that the City would need to do further bonding on.

Motion was made by K. Anderson to approve the Clerks advise on transfer of funds and the Designation of 2006 Funds. Seconded by D. Anderson, passed unanimously.

Motion was made by D. Anderson to set a meeting with the Townships to discussion the Fire Protection contracts, for February 26th at 5:30 p.m. Seconded by Edevold, passed unanimously.

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

Committee Reports: Parks & Recreation – K. Anderson. A new park brochure has been worked on. The Lake Lomond Task Force has been meeting and gathering information. Chris Arnold has been working on the City Web Site and there has been a request that the Council and Mayor put their e-mail and contact information on the site. Anderson brought up the area of putting the whole City/Utilities on one e-mail address.

Anderson worked with the Grand Forks Herald last year on an ad for the City Park, and she would again like to put the ad in for 2007. Ad is 3” by 2” for \$45.00 and \$65.00 for color. D. Anderson made a motion to approve. Seconded by Edevold, passed unanimously.

Clerk reported that she had spoken to Tom Burford at the Farmers Independent about the handicap spot in front of the Independent. He did not care if the spot was removed but he did suggest that a spot be put in front of the legion for the elderly Legionnaires and Auxiliary Members.

At this time, 8:30 p.m., Mayor Loiland announced that the Council meeting would be closed to discuss Police Department issues.

Meeting was reopened at 9:10 p.m. with all members present.

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

Motion was made by K. Anderson to promote Assistant Chief Darin Halverson to Police Chief, when Chief Steve Haugen retires. Seconded by Edevold, passed unanimously. No decision was made on wages at this time.

Motion was made by Edevold to table the sick leave payment request put in by Chief Haugen. Seconded by D. Anderson, passed unanimously.

Motion was made by K. Anderson to approve hiring Gene & Linda Arnold for Park Attendants, and Joan Gray and Muriel Ranisate as cleaners. Seconded by D. Anderson, passed unanimously. Motion was made by D. Anderson to set the wages as follows: \$7.50 for cleaners and \$1,500.00 per month for Park Attendants. Seconded by Sutherland, passed unanimously.

Discussion was held on the Dog Pound. Talk has been held at the County. Mayor will speak with Sheriff Erickson and bring a report back to the Council at their next meeting.

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

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
FEBRUARY 20, 2007

The Bagley City Council met in special session on February 20, 2007 at 6 p.m. in the City Council Chambers.

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

Also present were WSN Engineer Curt Meyer and Don Nordlund.

Mayor Loiland called upon Curt Meyer to give an explanation of Special Assessment Policies that other towns have written up and how the Council should handle the project coming up in the Kastner Sub-Division and the surrounding area.

Meyer stated there is a feasibility study that needs to be made public at a Public Hearing to tell everyone about the project. If there is City involvement there is usually bonding done. Meyer has spoken with Todd Hagen, Ehlers & Associates, on the process of bonding for the proposed project. There is first a pre-buy meeting in May, final buy in June, and dollars should be available first week in July. As the schedule is going ahead, it looks like construction could start in June with a partial pay estimate due in July, which would go along with when the bond dollars are received. Hagen needs to know the facts of the feasibility study and when the Public Hearing will be held.

In the assessment packets there was a sheet, which showed a City Assessment Policy Summary for a number of other cities in the area.

The Council needs to decide on whether to assess on the front footage, hookups or put the area into zones. The City of Blackduck has a map with 5 zones where water runs. People get assessed when they are living in the zone where a project is done and special assessments are put on. Example policies can be simple or lengthy.

Mayor Loiland liked the idea on odd shaped lots to come up with average of lot for water & sewer assessment. For storm sewer, he does not like to assess a corner lot from both directions. It would be nice to set precedence for the future.

Nordlund asked if commercial rates would differ from residential. No decision has been made on this. Edevold would like to see a uniform set of rules for the future.

A decision as soon as possible should be made on city participation and payment with assessments. There is a need to promote growth so the City needs to get involved. What percentage would the City want to participate? 100% is too much.

Edevold asked if it benefits the City as a whole, should the residents be asked for help to pay for the projects. Mayor Loiland stated that a game plan is needed. Do we want to look at the whole project as one or break it up into phases.

Meyer stated that the design works best if done at one time. Could do it in phases and bid out in parts, this can be decided at time of bidding.

Cost estimate on all streets except Willborg is \$610,00.00 with no sidewalks. Sidewalks - \$65,000 (Spencer, Valley & Evergreen). South of Wee Care to Hwy 2 - \$15,300.

Willborg construction cost is approximately \$70,000. (700 feet of street).

For bonding 5% for contingency is OK but the report has in it 10%.

Total construction cost is \$743,549.00. Design cost is \$42,000. Willborg Street cost \$7,000 for design. Most construction is 100% inspected for a cost of \$70,000. A bond in the amount of \$815,000 plus contingency would be needed to do the whole project.

Meyer stated this would be a pretty easy project to phase. Could be built over three years. If the city was able to dig in their own water or sewer lines this would be a savings, but at this time the City is not able to do so.

Edevold would like to see partial payment up front. If assessment is too high on the lots, the City may end up with the lots because they cost too much.

Meyer stated that Big Fork does projects at City 30%, Developer 35%, and 35% in assessments. When projects need to get done, assessments are the only way to go. Assessments and utility rates are City tools.

Mayor Loiland asked about sewer and water rates. Edevold explained rates and structures of the utilities.

Edevold liked the idea of the City paying 25% of a project. Meyer asked if the Council would want to do this with any type of project. Mayor Loiland stated that the City would have to work on each project separately. He suggested the City go 25% and the developer 75% on this project. Edevold stated the City will also need to purchase easements.

An agreement will probably need to be done by the City Attorney to have the three main developers pay the design cost, 1/3 each, of \$42,000. City to pay the design cost of Willborg at a cost of \$7,000.

Meyer stated that Cities usually put their assessment percentage rate 2% over what the bond percentage rate is.

More that 1/2 of the project cost is from Valley Street up to and including Hilltop Street. This cost is \$410,000 for improvements and a percentage of the storm sewer.

Edevold liked the idea of 25% City pay, 25% developer pays up front, and 50% put on assessments. At the top of the hill take an average of the lots to set assessments.

Wee Care would get an assessment for Valley Streets street and curb only because the sewer and water are already there. Meyer said that Valley Street would be treated different because the sewer & water are already there. The built on lot may need to be changed due to it already having a home on.

K. Anderson made the motion that all properties north of Valley Street will be assessed at a 25% City/75% assessment rate, and all properties abutting Evergreen and abutting Spencer are required to pay 25% of the construction cost within the year of construction. Seconded by Edevold. Discussion held. K. Anderson amended her motion to add that the built on lot will be changed due to already having a home on it. Seconded by Edevold, passed unanimously.

Being there was not further discussion to be held, motion to adjourn was made by D. Anderson. Seconded by Sutherland, passed unanimously.

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
MARCH 13, 2007

The Bagley City Council met in regular session on March 13, 2007 at 8 p.m. in the City Council Chambers.

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

Also present were Dan Keough, Steve Haugen, David Lee, Howard Moore, Larry Peterson, Tom Kooiman, Rick Viktora, and Frank Beaver.

Motion was made by Edevold to approve the minutes from the February 13, 20, and 21st meetings. Seconded by K. Anderson, passed unanimously.

Mayor Loiland called upon Dan Keough, Firemen's Relief. The 2006 funding #'s are at 106%. Present Firemen benefit is \$1,050. They would like to change it to \$1,150.00, without creating any impact on the City. This will bring the percentage down to 100%, where it should be. It was voted upon by the Firemen and approved. They are now asking the Council for their approval. Motion was made by D. Anderson to approve the increase. Seconded by Edevold, passed unanimously.

Motion was made by K. Anderson to pass Resolution #7-07 ACCEPTANCE OF DONATION. Seconded by Sutherland, passed unanimously.

Discussion was held on a letter from Attorney's Drahos Young & Kieson, concerning the closure of Stinars Whispering Pines Mobile Home Park. Motion was made by Edevold to hold a Public Hearing on this project at 6:30 p.m. on April 10th, before the regular City Council Meeting. Seconded by K. Anderson, passed unanimously.

Motion was made by Sutherland to approve the Bowl Inn Beer License for April 1, 2007 to March 31, 2008. Seconded by D. Anderson, passed unanimously.

Discussion was held on the Animal Pound. Chief Haugen, Sheriff Erickson, and Clerk Lindgren, have met with Dany Ekre who is interested in being the Pound Master. Erickson and Haugen have written a letter to area Townships asking for financial help with the pound. Sheriff Erickson will also be speaking with the County Board. Lindgren reported that Ekre would be willing to take care of the pound if the wages were increased. After discussion, motion was made by Sutherland to hire Dany Ekre as Pound Master, to work for the City 20 hours per week, wages to be \$8.00 per hour with a flat fee of \$100 per month. Seconded by K. Anderson, passed unanimously.

Department Reports: Howard Moore, Zoning Administrator. Moore explained that Health Services Network, Inc., Allen Potvin President, have put in an application for a Zoning Amendment. They want to change the zoning at Auditors Third Subdivision Block 20, in order to build an Assisted Living Unit. Tom Kooiman, from Alpha Development, was present to explain the project to the Council. The zoning is B-1 and they would like to change it to B-2. They are in the preliminary stages at this time. It will be between 24 to 36 units. A feasibility study is being done. There may be 9 units for Memory Care Patients, and they may employ 15 people, more or less. They are also looking at an open fitness center.

Moore stated that the Zoning Commission has approved the Zone Change and he is now asking for final approval from the City Council. Motion was made by Edevold to approve Resolution #8-07 CITY OF BAGLEY ZONING AMENDMENT. Seconded by Sutherland, passed unanimously.

Fire Chief Rick Viktora was present to inform the Council that there is a training session in St. Cloud, which he would like to send up to four Firemen to. It will be held on a Saturday and a Sunday. Motion was made by Sutherland to send up to four Firemen to the training. Seconded by D. Anderson, passed unanimously.

Clerk informed the Council that she had gotten a Physicians report on Viktora. He has been released to go back to work full time and feels he should be able to perform the fulltime duties

of Fire Chief. Motion was made by D. Anderson to put Viktora back in as Fire Chief and Tony Marty back to 1st Assistant Chief. Seconded by Sutherland, passed unanimously.

Police Department-Officer Larry Peterson. Monthly Police Reports were handed out. A draft contract for the Police Chief position was also handed out. Halvorson was unable to be at the meeting due to a death in the family. He would like to meet with the Council on this contract.

Information was handed out concerning the purchase of a new squad car. Peterson went over the age of the present squads plus maintenance issues on them. Prices were gotten on the purchase price plus the option of lease purchase. This would be a 2007 Crown Victoria Police Interceptor. Purchase price included complete police package/plus delivery. It does not include the police radio, which can be taken out of one of the older squads not being used. There is \$11,000 in the budget for car replacement now and with dropping to a three-man department after April, there should be enough funds in the budget. Cost of the car is \$23,552.00. Mayor Loiland stated he is in favor of leasing and Edevold stated he is not. Edevold would like to look at a contract first before a lease is gotten. Sutherland suggested getting ideas from other towns. If a mileage limit is put on them, it is not a good idea to lease. Motion was made by Sutherland to allow the Police Dept. to go ahead with one squad car purchase, with the Officers and Clerk checking to see which would be the best way to purchase the car. Seconded by K. Anderson, passed unanimously.

Peterson also brought up the area of part-time help in the Police Department. Andrew Anderson has put in an application. Peterson said that there may be times that more help will be needed, such as during vacations, sick leave, and sometimes on weekends. Mayor Loiland stated he had met with Chief Haugen and Sheriff Erickson. They also stated it would good to have our own Officer when someone is on vacation and at odd times when needed. Sutherland stated that Anderson has shown good common sense and is a good Officer. The Department can use an Officer with a Provisional part-time license but that Officer must have a Supervisor until they have a full-time license, which Anderson will have in June.

Assistant Chief Halverson would like to give Peterson the title of Sergeant, so he would be able to do Supervision over part-timers if Halverson is gone at any time. Peterson has spoken to the Union Representative and he had no problem with this, if the wages and benefits are not changed.

Motion was made by Edevold to hire Andrew Anderson as a Part-time Officer to be utilized within the budget as necessary and motion to include sending an opening letter to the Union requesting to open the contract for the purpose of establishing a part-time position as approved by contract and subject to the wage level being set at entry level. Seconded by Sutherland. Mayor called for discussion. He stated the Department needs to work very hard using a three-man schedule and not using the part-time help for just any reason. K. Anderson stated that if it gets too much, it should be revisited. Sutherland stated that if you don't use a part-timer during vacations, you would be paying overtime to the regular officers. Motion was made, seconded, and passed unanimously.

Motion was made by Edevold to extend the meeting by 30 minutes. Seconded by K. Anderson, passed unanimously.

Motion was made by Sutherland to appoint Officer Larry Peterson as Sergeant in the Police Department. Seconded by K. Anderson, passed unanimously.

Clerk stated that Street Superintendent Teige is wondering about finding a watering truck. Council stated that he should begin looking for a truck.

Frank Beaver, Public Utilities. Systems are working well. They are working on a school channel but must have a Champion in the School. Looking into an Internet service. Two sewer projects are coming up on Oak and Brown Ave and some on Schilling. Annual gas review has been done.

A letter has been received from the U.S. Census Bureau concerning the 2010 census, which will be started this year. Council will be asked early this summer if they want to participate in the Count for the City.

Motion was made by K. Anderson to approve all willing employees to attend a Safety & Loss Control Workshop in Mahanomen on March 27th. Seconded by Sutherland, passed unanimously.

Motion was made by D. Anderson to approve the bills as amended by Clerk. Seconded by K. Anderson, passed unanimously.

Committee Reports: Public Safety-Mayor Loiland. Contract handed out by Halvorson needs to be looked at further.

Liquor Store-Sutherland. Moen has stated that wine sales are up due to new wines coming in. Sutherland has told Moen to talk to other contractors on the building to see what work needs to be done.

Edevold-Utilities. New maps are being worked on yet for roads and utilities. Will work with Teige on the Roads area.

Sutherland asked about the lights that were to go up at the ball diamonds and when this would be done. Beaver said it is on the agenda for some day.

Parks & Recreation-K. Anderson. Brochures for the City Park are done at the Farmers Independent.

On the Park/Lake Lomond project, there were 29 people at the last meeting. Edevold reported on the meeting. Lots of good ideas were heard. Another meeting will be held at Fire Side on March 14, 5:30 p.m.

Being there was no further business to be heard, motion to adjourn was made by D. Anderson. Seconded by K. Anderson, passed unanimously.

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
MARCH 21, 2007

The Bagley City Council met in special session on March 21, 2007 at 8 a.m. in the City Council Chambers.

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

Also present were WSN Engineer Curt Meyer, Attorney Ed Rasmussen and Street Superintendent Arvin Teige.

Engineer Meyer said that this meeting was to discuss any issues that came out of the Public Hearing, which was held on March 14th.

The next step is to pass a Resolution ordering specs and plans. If any part of the plan gets knocked out, then the Resolution would need to be amended. This resolution orders the project as spoken about. Plans now are for the whole project.

Mayor stated that what is happening now are plans for the whole project, but what if at any point during the next month the City decides to go through with Willborg and however much is decided to do, what happens to the plan cost. Meyer stated that any portion could be shaded out. These plans will be kept with the City but they can be pulled back up again if the Council wants to wait to do some of the project. Everything will be kept on for the MPCA plans.

Mayor Loiland asked a concern on the storm water. How much of the project includes more of an area from outside this project? Meyer stated that not much if any. His office will be taking shots next week and will find out for sure.

Edevold stated that Cliff Kastner had spoken to him last week. He has been working on the numbers for his lots and discussed what could and couldn't be dropped off the plans. Meyer asked if Kastner would know within a month on what he wants to do. This is unknown.

Clerk reported that the Promissory Notes were received from Attorney Rasmussen. Keith Kubiak has signed a letter to pay, Cliff Kastner is in Mpls. for the week and Keith Larson needed to speak with the Wee Care Board, but he did not see any problem with it. Mayor asked if these three would still pay if the project did not go forward or was sectioned off. Meyer stated they would because the project will still be designed. Even if the whole project does not go, such as the dropping of Evergreen, Evergreen would still get a small assessment for the design part.

Edevold handed out a report on prevailing wages. When the time comes, he will ask that prevailing wages be used on this project. Meyer does not see an impact on this project.

Motion was made by Edevold to pass Resolution #9-07 RESOLUTION ORDERING IMPROVEMENT AND PREPARATION OF PLANS. Seconded by Sutherland, passed unanimously.

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

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

PUBLIC HEARING
BAGLEY CITY COUNCIL

The Bagley City Council held a Public Hearing on April 10, 2007 at 6:30 p.m. in the Bagley City Council Chambers.

Present were Mayor LuWayne Loiland, Council Members John Sutherland, Mark Edevold, David G. Anderson, Karen Anderson, City Clerk Treasurer Colleen R. Lindgren, Howard Moore, Cliff Kastner, Attorney Ryan Kieson, Terrance Goodwin, and Marty Neeland.

Mayor Loiland opened the Public Hearing.

Attorney Kieson explained that he is the Attorney for Cliff Kastner to work on the closure of Stinars Whispering Pines Trailer Court. A letter was sent to all homeowners in the park, last summer, informing them that the Park would be closed on July 9th 2007, and that they needed to make arrangements to be out of the park by that time. It cannot be closed before 60 days after this Public Hearing, so July 9th date is set.

Terrance G. Goodwin stated that he has nowhere to go. He is unable to do anything because he is disabled. He has an issue with his six-year-old grandson who lives with him and who has a learning disability, and he wants to keep him in the Bagley Elementary School.

Marty Neeland stated that she has lived in the trailer park since 1972 and she has no place else to relocate. She is worried that the wheels underneath are not any good and how/where they are going to move it. The people do not want to lose their homes.

Mayor Loiland stated that unfortunately the Council is sitting where they are, is that Mr. Kastner, who has purchased the property, had started this process a while back and it is completely up to him what he wants to do with his property.

Sutherland asked Goodwin and Neeland if there was anyone they could talk to or if they had talked to Human Services to see if there are any places available or if they could help them?

Goodwin stated that he had spoken to Human Services, and there is one place by Elbow Lake but he wouldn't be able to afford the gas to drive.

Neeland stated that they had found a place but someone had moved onto it before they got there and so they lost that spot. They have been looking.

Goodwin stated that this whole thing was a done deal before they got notice. First notice that he received was last September. They could have formed an alliance with tribal money, but they did not get a chance to do so.

Mayor Loiland said this is a Public Hearing and everyone can state his or her case but we must move forward.

Sutherland stated that there is nothing the City can control on what Kastner wants to do with his land, but this Hearing is to inform you the people, that you have until July 9th to vacate the property.

Kastner said that the state is aware of the closure of the trailer park and it is still registered as a trailer park until July 9th.

Goodwin asked if City Ordinances would still prevail over the park until July 9th. He said there is garbage everywhere, rotting trees all over, and it is a hazardous area.

Mayor Loiland acknowledged Goodwin's comments and stated that July 9th is still the closing date and the city would try to work with them to relocate. This is Mr. Kastners wishes for his property. And from this point on there is not much the City can do.

Goodwin restated his name and said that he does not have the money to move and no place available to move to.

Neeland stated that the trailers are old and how are they going to be moved. Cost is the problem.

Mayor Loiland closed the Public Hearing at 6:48 p.m.

Mayor Loiland brought the regular meeting of the Bagley City Council to order at 7 P.M.

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

Also present were Steve Haugen, Frank Beaver, Curt Meyer, Darin Halverson, Ken Moen and Lee Skunes.

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

Discussion was held on the Public Hearing that was held before the Council Meeting. Motion was made by D. Anderson to approve the closure date of July 9th, 2007 of the Whispering Pines Mobile Home Park. Seconded by Edevold, passed unanimously.

WSN Engineer Curt Meyer was present to speak with the Council about the Spencer Avenue project. The design, topol and site plans are completed. Meyer has met with Kastner, and after looking at the numbers, Kastner only wants to do Valley Street. He will not be pushing for Evergreen, or the south end of Spencer to get built. It is a Council decision on what is going to be built or not. Do you want WSN to go ahead with designing those streets, which means Kastner would be assessed for the design on those lots. Or does the Council want him to go ahead with just the design that needs to be done to get Valley Street done. This is a decision, which should be made by April 23rd, so that Meyer's crew can get going of the drawing. Originally it had been decided to design the whole thing and bill the whole thing. They are starting to draw the plans for Spencer. Edevold stated that he is inclined to design the whole thing. Meyer's office must know what they are to do by the 23rd of April. A special meeting between Mayor Loiland, Edevold, Kastner, Kubiak, Wee Care President Larson, and Engineer Meyer will be held on April 13th at 10 am in City Hall.

Meyer talked about the old bituminous on Spencer Ave. He wants to pull up the old bituminous and put it into gravel. The road is not straight on the south end. Mayor disagreed on getting rid of the bituminous. Feels that it helps with water run off.

Another issue is the end of Willberg. It is designed for a 50-foot street and a 25-foot easement is needed. The mobile home on the south end is on the curb line. The existing pavement does not even stay in the existing right-of-way.

One more issue is a 24-inch RCP pipe on the Wee Care property, which no one seemed to know about. Does Wee Care want to take it out or leave it in. It does have fall to the pond area.

The entry off Hwy 2 needs some rebuilding because it is off center. Discussion was also held on the platted alley that is on the Kubiak area. This will need to be discussed with Kubiak himself, on what his plans are for the area.

The testing company in Detroit Lakes will bill WSN for the tests on the pond, and WSN will turn around and bill the City. Boring tests will need to be done and there will be a cost to this also.

Motion was made by Edevold to pass Resolution #10-07 ACCEPTANCE OF DONATION. Seconded by K. Anderson, passed unanimously.

Motion was made by D. Anderson to pass Resolution #11-07 ACCEPTANCE OF FUNDS. Seconded by Sutherland, passed unanimously.

Motion was made by K. Anderson to Declare May as Tree & Branch Pickup month. Seconded by Edevold, passed unanimously.

Motion was made by Edevold to accept the 2007 Township Fire Contracts. Seconded by K. Anderson, passed unanimously.

Department Reports: Fire Department. Clerk reported that Fire Chief Rick Viktora has appointed Todd Brustad as Training Officer.

Police Department: Assistant Chief Darin Halverson. Pound Master Ekre has reported that the pound truck has broken down again, and it may be expensive to fix. DNR Willow River has vehicles that may be available, in the cost range of \$1,000, if the Council would like to look into this. Motion was made by D. Anderson to approve for Ekre to look into these vehicles, up to a cost of \$1,000. Seconded by K. Anderson, passed unanimously.

Chief Haugen informed the Council that there will be an auction at the County Fairgrounds, and asked if he would be able to put the older two used squad cars on this auction. Cost to do so is \$50.00 per vehicle. The 1998 squad is booked at \$4,500, and the 1996 squad is booked at \$3,000. If the vehicles sell, there is a charge of 8%. Sale is on April 21st. Motion was made by K. Anderson to list the vehicles on the Auction. Seconded by Sutherland, passed unanimously.

New squad car has arrived.

Chief Haugen informed the Council that there are old cars at the pound, which were seized and he would like to also sell these as junk. Motion was made by Edevold to dispose of the vehicles as appropriate. Seconded by D. Anderson, passed unanimously.

Liquor Store Manager: Ken Moen. Profit is still up from last year. Beer sales are down but wine sales are up due to new selections in the store. New wine racks have been put in which show off the wine much better. Moen would still like to do some work on the front of his building. Moen has been asking carpenters for plans, but so far has only gotten the earlier one. K. Anderson asked about advertising. Mayor Loiland asked if Moen has a plan that could be given to different carpenters. Back room is also deteriorating. More storage space is needed too. Mayor Loiland will get together with Councilman Sutherland and Moen to discuss what needs to be done.

Lee Skunes was present on behalf of the Bagley Senior Citizen Center. Center Board members wished to express their thanks to the Council for putting them in the budget to help with the utility bills. He also wanted to tell the Council that people are talking about the great selection of wines that Moen has put in the Liquor Store.

Zoning: In the area of the proposed Assisted Living Home, all four buildings in the area will be torn down shortly.

Roads & Bridges: Street Superintendent Teige asked permission to hire three summer workers. Applications have been received from Al Spring, Jeremiah Lund, Keaton Fontaine, and Shawn Clark. Motion was made by Edevold to allow Teige to hire 3 workers, of his choice of the applicants, for the summer at the wage set in the budget. Seconded by K. Anderson, passed unanimously.

Public Utilities: Frank Beaver. Letter was received from MN Dept. of Health stating the quality of water in the City is good. There was a design flaw in the water plant, which produced a break in a line to cause a flood at the plant. This has been fixed and cleaned up. Construction of the sub-station is going slow. Two employees are going to Brainerd for gas school. Keith Kubiak is willing to leave one of the trees on his proposed store property for the City to decorate for Christmas. Beaver has spoken to the City insurance company about this and they see no problem with it. Edevold stated that he would like to table it until further review. City doesn't do this for any other personal business. Mayor Loiland liked the idea and thought it a great opportunity. K. Anderson thought it would be nice on that end of town. Sutherland feels that it should be found out who owns the trees and where everything is at, whether the trees are on his property or on the right-of-way/alley. Matter tabled. Ballpark lights should be up by the end of May.

City Hall: Clerk Colleen Lindgren. Last City owned lot on Lomond Drive has been sold. Clerk was asked to speak to three 6th Grade History classes about the work that goes on in City Hall and the duties of the City Clerk, Mayor and Council.

Motion was made by D. Anderson to accept the resignation of Heidi Swenson as City Hall Janitor and to advertise for the position. Seconded by Sutherland, passed unanimously.

A letter from Audio Communications was discussed. They are asking for rental space on the City water tower. Letter will be given to Utilities Manager Frank Beaver to investigate and bring to the Utilities Board.

A letter has been received from Tax Research & Recovery, Inc., asking for a service contract with the City to recover any Federal Excise taxes the City may have paid. Edevold asked that the Clerk check into this with the League of MN Cities to see if they have the forms and if we can do the work ourselves. This may save some money by doing it ourselves. Information will be brought to the next meeting.

Motion was made by Edevold to have the Clerk write a letter of support to the HRDC concerning housing in the City. Seconded by D. Anderson, passed unanimously.

Motion was made by K. Anderson to approve Resolution #12-07 RESOLUTION RELATING TO MULTIFAMILY HOUSING REVENUE REFUNDING BONDS (HOUSING ALTERNATIVES PARTNERSHIP PROJECT), SERIES 2007 PURSUANT TO MINNESOTA STATUTES, CHAPTERS 462C AND 475; CALLING FOR A PUBLIC HEARING THERON, with the hearing to be held on May 8th at 6:45 p.m. in the City Council Chambers. Seconded by Sutherland, passed unanimously. Group representing the Partnership will be informed they must have people at the meeting.

Motion was made by Edevold to approve payment of the outstanding bills with the following changes: hold the WSN Engineering and Bagley Senior Center Utility bill and add payment to Tomahawk Cages for \$1,266.07. Seconded by K. Anderson, passed unanimously.

Committee Reports: Park & Recreation-K. Anderson. Meetings have been held with the Park Groups and feedback is being compiled. Park Attendants will be arriving in a few weeks.

Buildings/Transportation: D. Anderson. Usage of "The Bus" which goes around the City is getting better but it is hit and miss. They are working with Fireside for a promotion and are talking about working with the summer recreation for students to use the bus.

Mayor Loiland would like to attend a Mayors Conference in Willmar on May 4 & 5, if his schedule permits. Motion was made by D. Anderson to send Mayor Loiland to the conference with expenses paid. Seconded by K. Anderson, passed unanimously.

Assistant Chief Halvorson asked if the Council had looked at the contract, which he had handed in. Mayor Loiland stated he was surprised by getting a contract. He is inclined to leave it till the first of the year. Halvorson said that there have not been any past contracts but there have been questions on what is expected. He is looking at the future years with this contract, not just to 2008. Mayor said that they would be working through the kinks this summer up to 2008. Halvorson said he did not put in the contract to demand anything, but more for a job description for him and his obligations. Edevold stated that we as a city need to do a better job to develop an overall employee manual. Last manual done was 17 years ago. Mayor Loiland said he will get together with Halvorson tomorrow on the salary issue. K. Anderson stated that the salary should be decided before Halvorson takes over the position of Police Chief. Edevold is opposed to one department head having a contract. If you do one you should have a contract with all department heads. K. Anderson stated that a good aspect would be to have job descriptions for all employees. She would volunteer to be on a personal committee. Halvorson stated he did this to get the ball rolling and get a policy on job descriptions for all employees.

Chief Haugen asked about a letter he had given the Council earlier on accumulated sick leave. In 1995 Former Chief Neeland was paid a \$3,000 severance and Union Officers get one-half of their sick leave in severance pay when they retire. Haugen feels the City should take care of their employees by giving them severance pay also. If the Council does it for union employees they should do it for all employees to be fair. Concerns on sick leave and payout were heard. Edevold asked the Clerk on how many employees have retired over the years from the City. Clerk informed the Council that the following have retired: Steve Davis, Tom Neeland, with a payback but unsure of what it was for, Earl Holmstrom – no severance given, Gene Merschman-no sick leave pay paid. Mayor Loiland stated that unfortunately sick leave is a benefit. It is there if you need it while working for the City but if you don't use it, he personally does not feel you should be paid for it. It is a benefit you can't benefit from when you don't use it. Haugen feels that if it is wrong why do states and governments do it. K. Anderson informed Haugen that not all Counties or SWCD's have it as a benefit. Edevold stated that Haugen's original agreement in 1985 has no sick leave benefit. The Chief agreement, from the same time period, had the same language. Haugen stated that the Council always said they will treat their employees fairly. It is not fair when the union employee gets the benefit and the non-union don't. He would like to see the matter taken to a vote tonight. Clerk was asked to find out what Neeland was paid for when he retired. Mayor asked the Council if they wanted to table the matter or call a vote. Sutherland and D. Anderson would like to look into it more. Motion was made by Edevold to table the matter at this time. Seconded by D. Anderson, passed unanimously.

Being there was no further business to be brought before the Council, motion to adjourn was made by K. Anderson. Seconded by D. Anderson, passed unanimously.

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

BAGLEY CITY COUNCIL
PUBLIC HEARING

The Bagley City Council held a Public Hearing on May 8, 2007 at 6:45 p.m. in the City Council Chambers. RE: Joint Powers Agreement for A Multifamily Housing Project.

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

Jack LaRue, representing a Multi-Family Housing Authority Board, was present to explain what is being proposed. In 1986 Bonds were taken out to build the Villages of Bagley. There is nine years left to pay on the bonds, but they are callable at this time, for refinancing. They want to refinance the bonds to lower the interest rate and go from 9 years to 20 years on the payback. As for the tax base, they are a for profit project and they will be paying the regular property taxes. There was a concern heard on the hospital changing hands, but this project is not part of the County so there will not be any changes. Will there be improvements done? Yes, such as siding, windows, carpets which the refinancing will provide more cash flow for these things. Being there was no further discussion to be heard, Mayor Loiland closed the Hearing at 6:52 p.m.

Mayor Loiland opened the Regular meeting of the City Council at 7 p.m. Present were Mayor Loiland, Council Members Mark Edevold, John Sutherland, Karen Anderson, David G. Anderson, and Clerk Treasurer Colleen R. Lindgren.

Also present were Attorney Ed Rasmussen, Police Chief Darin Halvorson, Attorney Ryan Keisen, Cliff Kastner, Chris Arnold, Arnie Teige, Frank Beaver, Rick Viktora, and Todd Brustad.

Motion was made by Edevold to accept the minutes as read with one name correction on page four. Seconded by D. Anderson, passed unanimously.

Motion was made by Edevold to pass Resolution #13-07 RESOLUTION RELATING TO A PROJECT ON BEHALF OF HOUSING ALTERNATIVES PARTNERSHIP AND CERTAIN PROPOSED BONDS OF THE CITY OF MORA; APPROVING THE PROJECT AND ISSUANCE OF THE BONDS AND EXECUTION OF A SECOND REVISED AND RESTATED JOINT POWERS AGREEMENT. Seconded by K. Anderson, passed unanimously.

Motion was made by Sutherland to pass Resolution #14-07 RESOLUTION APPROVING PLANS AND SPECIFICATIONS AND CALLING FOR BIDS ON RECONSTRUCTION & CONSTRUCTION OF SPENCER AVE., VERNA AVE., WILLBORG AVE., VALLEY STREET & EVERGREEN DRIVE. Seconded by Edevold, passed unanimously. Motion was made by K. Anderson to set a special meeting on May 15 at 8 a.m. to discuss the project further. Seconded by Edevold, passed unanimously.

Chris Arnold was present to talk about the City Web Site. It has been one year since the City put in place the web site. Renewal is up on June 6th. Council needs to make the decision on whether or not to purchase both web site names again and how many years they want to purchase the name for, one year up to nine years. The more years you sign up for the cheaper the cost. For one year the price is \$20.90, and if you go more than one year the cost is \$19.90. Arnold handed out the web site stats to Council Members. Motion was made by K. Anderson to approve the purchase of the two web sites for nine years. Seconded by D. Anderson, passed unanimously.

Councilman Edevold questioned asking for some answers from Cliff Kastner and his Attorney concerning the closure of Whispering Pines Mobile Home Park. Edevold asked if all steps in the closure were met and if there were any concerns the Council should have. Attorney Keisen stated that he felt all conditions had been met. Mayor Loiland stated that the statutes do state that there are relocation costs as a "maybe". Edevold stated that the Public

Hearing had been held but the “maybe” on the relocation costs had not been challenged. City Attorney Rasmussen asked Kastner that at his time of purchase, did he plan on closing the park. Kastner stated he did not. Purchase of the property took place in July 2003. Attorney Rasmussen stated that Kastner has complied with Statutes. The only question is relocation costs and if he is stuck with them or not. Attorney Keisen does not agree. The statute states that the Council “may” put relocation costs onto Kastner, but it does not state he must pay relocation costs. Edevold stated that the Public Hearing did not address the re-location costs. It does not require the City to pay these but will a second Public Hearing need to be held due to this? Attorney Rasmussen agreed that it does say, “may” but has the Council decided if they are going to require Kastner to pay relocation costs? Attorney Keisen thought it was clear what had to be done. Edevold said the Council was not told about re-location costs. Keisen said the people gave their concerns. Attorney Rasmussen said the question of the City requiring relocation costs is still open. Mayor Loiland asked if another Public Hearing must be held. Rasmussen feels that a Public Hearing is not needed but the relocation costs matter is still on the table. Motion was made by Edevold, stating that the Council did not receive any specific requests for relocation costs so up to this point the Council will not be asking or requiring Cliff Kastner to do so. Also up to this point the Council has never received a request for relocations costs and the Council has never demanded relocation costs from any property owner. Seconded by D. Anderson. Sutherland called for discussion. Come July 9th the trailer may still be there, if so, who will be responsible to get the residents out? It will be the property owners. After discussion Mayor called for a vote. Motion was passed unanimously.

Department Reports: Fire Chief Rick Viktora. The 1976 Chevy Fire Truck needs to be replaced. The tank was relined less than 10 years ago and the pump is newer, so only the chassis needs replacing. Two quotes were gotten, Nelson International - \$70,078.71 and Walwork Truck Center-\$78,661. There will be some supply costs, but the Firemen will do most of the work. Clerk asked if the bids were State Bids. Brustad believed they were but he would check to see. Clerk informed the Council that anything over \$50,000 is to be bid out and advertised unless they are State Bids. Motion was made by Edevold to accept the low bid of Nelson International, pending review by the City Clerk to check into making sure it is a state bid truck. Seconded by K. Anderson, passed unanimously. Brustad called Jon Gerbracht, who stated he assumes they are both state bids.

Fire Dept. is also looking for a light bar, which former Chief Haugen was finding for them. Chief Halverson informed Viktora that there are light bars from the older squad cars that the Fire Dept. can have.

Roads & Bridges-Street Superintendent Arnie Teige. Recertification for mosquito spraying has been received. Still looking into new snowplows and a 1-ton truck. Teige suggested using the same strategy as last year when watering the city flowers. Edevold stated he would still like to see Teige search for a truck and water tank. That is what was put into the budget for this year. Watering in the early morning is best due to safety reasons. Edevold stated that it is a big cost to water flowers. The docks and ramps in the Park have been redone.

Public Utilities-Frank Beaver. Wiring for the lights in the ballpark is about 2/3 done. Mayor asked that the lights be done by the 22nd due to late ball games beginning. Public Utilities are looking at costs to do some underground wiring. Hydrants are being flushed.

City Hall-Colleen Lindgren. Clerk reported on the Arbor Celebration held at the Bagley Elementary School. Mayor read the Arbor Day Proclamation at the school, Clerk took Smoky the Bear around to classrooms, and about 75 trees were planted at the City Ball Fields, along with plantings at the school forest. A thank you card was read from Elementary Teacher Janelle Melbo.

Tom Kooiman, Consultant for ALPHA Development, contacted Clerk Lindgren. Mr. Kooiman would like to set up a meeting with the Council concerning putting in a JOB Z application for the Assisted Living Facility being built by Allen Potvin. Clerk informed Kooiman that the Council would be meeting on May 15th and she would ask the Council if he could meet with them then. Edevold stated that he thinks that JOB Z is a bad program and he feels it may disappear with this Legislative Session. It is not made for residential projects, it was made for manufacturing and high paying jobs. The City would not get tax dollars on it. Clerk stated that Council Members have worked with Laurie Kramka, from HRDC on previous JOB Z projects. Sutherland feels that the Council should at least listen to ALPHA

Development and invite them to the May 15th meeting. Clerk will contact Kooiman to be here on the 15th at 9 a.m. D. Anderson stated the earlier the better to begin the meeting. Curt Meyer will be asked to be here at 8 a.m.

Applications have been received for the Janitor Position. Clerk will go through them and bring a recommendation back to the Council on the 15th.

Clerk reported on the benefit that will be held on June 2nd at the S&K Bar and Grill. 1000 to 3000 people are expected. They were instructed to contact Allen Paulson on the use of the Fair Grounds and Tri-Valley for the bus. Clerk also informed them that they needed to get in touch with the Police Department.

Police Dept.-Chief Darin Halvorson. The two squad cars did not sell at the auction. He would like to advertise them for sale, with the clause that the City can reject any or all bids. He also has some old vehicles that could be advertised as salvage with no titles. Motion was made by D. Anderson to have the Clerk advertise the vehicles and to open them at the regular June Council meeting. Seconded by Sutherland, passed unanimously.

The League of MN Cities 2007 Annual Conference and Marketplace convention will be held in Duluth on June 2-29. No one present is able to attend.

Motion was made by K. Anderson to approve Resolution #15-07 AUTHORIZATION TO EXECUTE MN DEPT. OF TRANSPORTATION GRANT AGREEMENT FOR AIRPORT IMPROVEMENT EXCLUDING LAND ACQUISITION. Seconded by Sutherland, passed unanimously.

Motion was made by Edevold to pass Resolution #16-07 ACCEPTANCE OF FUNDS. Seconded by K. Anderson, passed unanimously.

Motion was made by Sutherland to pass Resolution #17-07 ACCEPTANCE OF DONATION. Seconded by Edevold, passed unanimously.

Motion was made by K. Anderson to set a joint meeting between the Public Utilities and the City Council to meet with the City Auditors on the 2006 Audit, for May 30th at 6 p.m. Seconded by Edevold, passed unanimously.

Discussion was held on the outstanding bills. Clerk brought before the Council a bill to Ken K. Thompson for a plaque for Chief Steve Haugen. Recommendation from the City Auditors is that these items cannot be paid through City "public" funds. Edevold agreed that individual things cannot be done. Some things can be done through resolution for a group as a whole. Mayor feels that the City needs to be doing a better job recognizing individuals, businesses for improvements and Main Street beautification. Maybe money needs to be given to the Chamber to do these recognitions. Clerk will get information from the League and the City Auditors will be asked for information on this when they meet with the Council on May 30th. K Anderson said she would prefer to find out more information before approving the bill. Motion was made by K. Anderson to approve the list of bills, except to hold the WSN bill till a later date. Seconded by Sutherland, passed unanimously.

Department reports: Buildings/Transportation-D. Anderson. Clerk informed Anderson that she had heard there was a meeting coming up with "The Bus", somewhere around the 15th. Clerk will check this out and let Anderson know for sure.

Liquor Store-Sutherland. Moen wants to get some work done on the front of the building, but there is much to be done on the back also. Sutherland will look into it further. K. Anderson stated that Quick Books has a program for inventory and she feels this should be looked into further. Sutherland feels that the building should be advertised to get it fixed.

Parks & Recreation-K. Anderson. Anderson asked about getting temporary speed bumps put on some of the park roads. Teige stated that he had checked on those a few years ago, and the insurance company said that if you put them in you are causing a hazard and the City will be liable if any accident happens. This will be checked into further. K. Anderson stated that lots of painting has gone on in the bathrooms and the docks look great. Also there have already been problems with dogs in the park. People have been letting them run loose and

have had them jumping off the docks. This needs to be stopped and the leash ordinance needs to be advertised in the newspaper.

Clerk handed out a 2007 budget summary of the Dog pound. Total budget for the year is \$5,500. So far expenses total \$2,786.70. Funds may run out before the end of the year, however donations from Townships have been looked into. Pound master has not gone over the 20 hours per week allotted by the Council.

At this time, 8:40 p.m. Mayor Loiland stated he would close the meeting for personnel issues.

Meeting was reopened at 9:05 p.m. Motion was made by Edevold to extend the meeting 15 minutes. Seconded by K. Anderson, passed unanimously.

Motion was made by Sutherland to set Chief Darin Halverson wages at \$19.75, retro to May 1, 2007. Seconded by D. Anderson, passed unanimously.

Motion was made by Edevold to extend the employment of Steven Haugen, as Patrol Officer, to June 30, 2007, pending PERA forwarding his retirement date and a written request is gotten from Steve Haugen. Seconded by K. Anderson, passed unanimously.

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

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

BAGLEY CITY COUNCIL
MAY 15, 2007

The Bagley City Council met in special session on May 15th at 8 a.m. in the City Council Chambers.

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

Also present were Curt Meyer, Arnie Teige, Terrance Goodwin, Laurie Kramka, Al Rasmussen, Cliff Larson, Tom Kooiman, Reggie Fraley, and Judy & Allen Potvin.

Engineer Curt Meyer was present to speak with the Council on the Spencer Avenue project. Information was handed out which showed the project broken down into Phase I and Phase II. Plans have been designed. Base bid would be Spencer & Valley Street. Alternate 1 is Spencer, Valley and Willborg. Alternate 2 is Spencer, Valley, Willborg and Evergreen. \$788,356.00 is estimated construction costs, which is conservative numbers. Bid forms have been sent in for ads. Bid opening will be in three weeks-June 11th. Evergreen and South Spencer are in the bid but can be done as an alternate if the Council wants. Storm sewer down Verna will be best put on the south side. It will be in the Wee Care property, with a 15-foot easement needed.

No final decisions have been reached on Willborg yet. A prebid walk through will be done soon. Pond area was discussed. Meyer questioned whether or not the Council wants to bid just the north half or put Evergreen and South Spencer in as alternates. Mayor would like to see Spencer done to the end, but not necessarily Evergreen. Willborg could go either way, and do Valley. Edevold feels that if the bidding is coming in low, bid the whole thing. Mayor asked when sidewalks could be dropped. Meyer stated that a note on bid form could state sidewalk is an option maybe to drop, but keep it on Spencer. Discussion was held on doing the base work on Evergreen and not tarring it. This would take a change order. There will not be any sidewalk on Willborg.

Street Superintendent Teige asked what the right-of-way on Willborg is. Meyer stated the road is 32 foot and the right-of-way is 38 feet. Mayor feels the sidewalk should go on Willborg on the west side. Edevold stated this will take time and Kastner, Kubiak, and Wee Care should be shown all that has been talked about. Bid opening is on June 11th at 2 p.m. On June 12th at 8 a.m., the landowners will be asked to attend a meeting with the Council. On June 19th at 7 a.m. Council will meet to award the bid.

Concerning the Right-of-way, Meyer will do as much as he can, and then get the documents to the City Attorney. Costs can be rolled into the project.

Street Superintendent Teige stated that one of the summer workers he had last year, Anthony Marty, will be coming back to work through July 3rd.

Terrance Goodwin was present to speak with the Council on the closing of Whispering Pines Trailer Park. He stated that relocation costs were not covered at the meeting. He has been there 25 years, and Mr. Kastner has not taken care of grievances or common clean up. Goodwin claims that Kastner was to give him relocation costs within 25 miles. He would like help in relocation costs and a plot to put his trailer on. Mayor Loiland told him that if he has legal issues, he needs to take them to his Attorney. Edevold stated that he feels the Council is comfortable that legal process has been followed and that Kastner has followed legal process. Goodwin stated he has checked into all areas to be relocated, and there isn't help anywhere. He feels the Council meeting was not held, up to the law standards. Mayor asked him if he had any idea what relocations costs are. Goodwin feels about \$1,000. Edevold stated that at the Public Meeting there was talk about the burden of costs but no amount was set on relocation costs for Kastner to pay. Mayor Loiland agreed that the Council did follow what they were to do as far as the Public Hearing.

Clerk informed the Council that she had checked into the bidding process for the Fire Dept. trucks. The two quotes that were brought before the Council were not state bid. This means that the Council must ask for bids on anything over \$50,000. Motion was

made by K. Anderson to advertise for bids on a new fire truck. Seconded by D. Anderson, passed unanimously.

Councilman D. Anderson had to leave the meeting at this time.

Discussion was held on 8 applications received on the City Hall Janitor position. It was advertised as 30 hours per month, with no per hour dollar amount due to not being set by Council. Two applications were put in as monthly contracts. Wage asked for was between \$8.00 to \$10.00 per hour. Clerk asked how the Council would want to go. One of the contracts was to also do the annual cleaning of the carpets plus a semi-annual cleaning. Clerk Lindgren stated she had gone through the applications with Utilities Office Manager Vickie Fletcher and both were most comfortable with the two applications that offered a monthly contract. K. Anderson stated that where she works they do contract, and it works out better. After running numbers, Mayor Loiland stated that with going with the monthly contract it would raise the expense by 48% so the budget would need to be raised. Edevold stated that he was comfortable with what the Clerk recommended. K. Anderson said that the contracts might be negotiable, but she is comfortable with what Lindgren and Fletcher recommended. Mayor Loiland tabled the matter until a latter meeting.

Discussion was held on the Assisted Living Project proposed by Allen and Judy Potvin. Allen Potvin explained that he plans on building a \$4 million dollar project, which would employ 15 to 17 employees. The building would be 45 units – 36 assisted care and nine-memory care. In order to make it work they need help. Reggie Fraley, ALPHA Development, explained that they want to apply for a JOBZ. Application packets were handed out. Need is substantial for the area. Fraley went over the application

The area being looked at is not in the Cities JOBZ area. All government agencies, City-County-School, have to approve to move the JOBZ lands. They would like to begin the project in June of 2007 and be ready to open in June of 2008.

K. Anderson made a clarification on Section 8.01, that the present meeting is not a Public Hearing. If the Council decides to go ahead to consider the application, then a Public Hearing must be held. Laurie Kramka stated the Council should look more deeply into the JOBZ, “due diligence” in order to ensure an appropriate fit between company and community.

Fraley said it would be set up as an “S” Corporation and taxed at 7%. They would try to use as many local contractors as possible. Mayor asked if the conclusion is not good, what would be the next step? Fraley feels that JOBZ is better for the City over TIF or other programs. Edevold stated that JOBZ is in play at the legislation and they may eliminate it completely.

Kramka had contacted DEED and asked what their perspective on this project is. They said it is not illegal but strongly don't recommend it under JOBZ. Edevold stated that he is concerned that Potvins want this done today and there are too many issues to look at. He does not feel JOBZ is the right thing, and the Council may step on toes if things are decided too fast.

What is the difference between TIF and JOBZ was asked. Fraley stated that the benefit of a JOBZ is that materials are tax exempt and a break in the real estate taxes. JOBZ helps a Community grow by bringing in new business but not take from other communities and creates new jobs. TIF only gives tax flow benefit and helps grow internally.

Edevold said the Council must look at what is the best long-term benefit. Mayor said that the City does not have people knocking at the door to come to Bagley. We need to act on this and not hinder this project. Council needs to meet with Kramka on the project.

Potvin is looking for a Public Hearing to start moving ahead on the project.

Council recessed for a 15-minute break at 10:45 a.m.

Meeting reopened at 11:00 a.m.

Mayor Loiland stated he does not want to sit on this project and feels it is in the best interest of the City to use JOBZ.

Kramka stated it is a very needed project in the County. Must be a local decision on the JOBZ. From Farley's standpoint they need the cash flow. Edevold stated there are these kinds of projects being build all over the state but doubts they are using JOBZ. Kramka does not know of any further projects like this using JOBZ. TIF and tax abatement are not

as much subsidies. Edevold stated that they still need to look at it closely and JOBZ does not make him happy. Mayor wants to move on with the project.

Kramka informed the Council there are legal aspects to go through and when the agreement is entered into they must create the specified number of jobs. It is up to the City on "due diligence". HRDC has someone who could look at the financial area of the project, from a business standpoint.

Kramka will outline the process on changing the JOBZ Zone and she must meet with the County and the School Board. Question was where to pull the zone from? Edevold does not favor taking it from the airport but from the Industrial Park. K. Anderson agreed that Kramka should work on the project and bring back information to the Council.

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

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL/PUBLIC UTILITIES MEETING
MAY 30, 2207

The Bagley City Council and the Public Utilities met in special session to discuss the 2006 Audits. Meeting held in the City Council Chambers at 6 p.m.

Present: Council Members Karen Anderson, Mark Edevold, Vice Mayor John Sutherland, David G. Anderson, Al Lindahl, City Clerk Colleen R. Lindgren, Utilities Office Manager Vicki Fletcher. Also present was Kristie Smith from Miller McDonald, Auditors.

Mayor LuWayne Loiland and Commissioner Noel Anderson were absent.

Vice-Mayor John Sutherland opened the meeting at 6 p.m.

Public Utilities audit was the first to be discussed. Auditor Kristie Smith went over the independent auditors report where there were no major issues determined. Financial highlights were gone over. Statement of net assets and liabilities was discussed. Income Statement showed that the revenue is up some from last year. Electric profit is same as last year, sewer is slowly getting better and cable TV expenses are down. Overall, the departments have improved over the last year. Cash flow is not much different from last year.

6:10 p.m. Mayor Loiland and Frank Beaver entered the meeting.

Edevold stated he is happy to see some gains. The Utilities Board will be reassessing rate adjustments for the next year.

City Audit. No major findings were found. Financial highlights comparing last year to this year were gone over. Each department was gone through and discussed.

Clerk explained the repayment of the Revolving Loan Funds.

Debt payments were gone over. Net assets were discussed. Overall net assets were up from last year. Liabilities were down. Total Revenue had an increase over last year. Total expenditures were done, due to 2005 building of the City Garage. Public Safety was down due to Officer Retirement. Liquor Store total assets were up. Discussion was held on depreciation costs. Charges were up a little bit from last year. Total Revenue was up from the year before. A letter was given on the following items: Bids and Quotes: make sure that the State Legal Compliance Guide is followed. Budget Preparation: Recommend that the Public Utilities and Liquor Store have yearly budgets. Cash Disbursements: Declaration is needed on the backside of all General checks and payroll. Pledged Collateral: Make sure this is kept up on all city and utilities funds. Fire Dept. Funds: MN Statutes state that the Council must approve all city funds, which includes the Fire Dept. funds. These are new statutes.

Public Purpose Purchases: two statues were discussed on this. As of August 1, 2007, regarding employee recognition programs, if a plan/program is in place, these expenses can be done. Must be for things such as a plaque, coffee & cake. Mayor asked about giving money to the Chamber of Commerce for such things and for recognition of new businesses in the city. Smith stated that in State Statues is declares that Cities may not pay dues to a local Chamber of Commerce. Also the City may not donate money to the Chamber for these items.

The Auditors recommend that the Public Utilities do a full inventory at the end of each year.

Edevold asked if there should be any concern on the internal control? Or should the two departments cross-share employees? Smith said there are no recommendations on changes and no concerns.

Motion was made by K. Anderson to approve the 2006 City Budget. Seconded by Sutherland, passed unanimously.

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

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
JUNE 6, 2007

The Bagley City Council held a Special meeting on June 6, 2007 at 7 p.m. in the City Council Chambers.

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

Also present were Al Rasmussen, Laurie Kramka and Tiffany Fettig.

RE: JOBZ ZONE – Assisted Living Facility.

Laurie Kramka, HRDC, was present to speak with the Council on the proposed Assisted Living Facility that Allan Potvin is proposing to build with the help of JOBZ.

She is hearing some concerns from the State about this project. She felt she should pass this information along to the Council and also to Reggie Fraley, ALPHA Development Consultant on the project. DEED does not feel that this project fits with the JOBZ focus. A modification on the property will be needed due to it not being in a JOBZ Zone. DEED stated they would be recommending to the State Commissioner not to approve this modification. Project will be classified as a housing project, not a commercial project. Fraley feels it should be commercial, not housing. He has written a letter to the Governors Office on this. If it is not classified as commercial, they will not get the property tax break, which would be huge.

Kramka spoke to an Attorney at the Department of Revenue, and they would classify this project as Residential. The Commissioners Office also called Kramka. The gentleman she spoke to stated that their office does not consider an Assisted Living Home as a JOBZ business. The Council could still move forward and try to get the modification. If DEED agrees with that, they could get some tax breaks but not the property tax breaks. If DEED does approve the modification, and ALPHA does go ahead with the project, they will get a significant less break in the taxes. JOBZ has never been done in Minnesota with an Assisted Living Facility. The Assisted Living Facilities around the area are all classified as Residential.

Mayor Loiland stated he certainly does not want to open it up to all places in the area, but it would if this was put into commercial. Mayor asked Tiffany Fettig, HRDC Financer, what she thought of the project. Fettig stated that there were some pieces missing in the application. There were no bank commitments and a form was not signed for HRDC to get the information.

Mayor asked what the next step is. It does not look to be going in the right direction. He asked Kramka if she had contacted Ehlers & Associates on different ways to do this project such as TIF or Business Subsidy. Kramka stated there are more of these kinds of projects using TIF or Tax Abatement. She would like to hear from ALPHA Development on what they are now planning. Mayor asked if there was ever a special exemption? Kramka stated that the City could push forward to DEED but then it goes to the Dept. of Revenue, who gets the last say on the project.

Al Rasmussen stated that ALPHA needs to run numbers again for Residential and also get the County Assessor on board to help.

Kramka stated that Ehlers & Associates is very good to work with. Some Cities absorb the fees and some add it onto the applicant. Kramka was asked to contact Rebekah Kurtz at Ehlers to get more information on TIF. She will also contact Reggie Fraley at ALPHA and get more information for the Council. The only information needed from Fraley right now is if he wants to go ahead with the JOBZ.

Sutherland asked if the Council really wants to continue if DEED is looking at not allowing the project? Mayor Loiland stated he personally does not have a problem with JOBZ, but to change from Residential to Commercial and effect all others taxes, that is a problem.

Kramka asked if the Council was comfortable with the information they got? Mayor stated he is comfortable and the Council agreed there is a need for this type of facility.

Kramka explained the Zone Modification needed if the Council decides to go ahead. The parcel ALPHA is looking at building on is 4.32 acres. Clerk thought it would be practical to use the two lots in the Industrial Park that could not be used for any other buildings. One is the lot where the holding pond will be located and the other is one of the lots that the City Garage is located on.

Kramka has spoken to the Dept. of Revenue on how much property should be in the modification. If only an expansion is being done, then only the blueprint needs to be in the modification. If a new project is being built, then the whole parcel of land should be included. At this time the Council does not need to do anything on the modification. When and if a Public Hearing is held, at that time a Resolution will be needed to do the modification. She will wait until she hears more from ALPHA.

Mayor asked if the Council really needs all the number information and if it is a concern of the Council. Tiffany Fettig said she thinks so, so the Council knows it is a viable project and she also wants to see all the numbers. Mayor stated that they have already gotten a \$250,000 State Grant so someone has done an analysis. Will a TIF District hurt this grant? Kramka said that TIF can be layered with a lot of other things. It might not hurt to contact the funder and make sure there isn't a problem. Mayor stated he is comfortable without all that information. Council Members stated they were not. K. Anderson and Sutherland stated they would be comfortable with everything that Fettig finds and she is comfortable with it. Council does not need to know all the numbers. Fettig will find out the information she needs.

Being there was no further business to be discussed on the project, motion to adjourn was made by D. Anderson. Seconded by K. Anderson, passed unanimously.

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
JUNE 12, 2007

The Bagley City Council met in regular session on June 12, 2007 at 7 p.m. in the City Council Chambers.

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

Councilman David Anderson was absent.

Also present: Richard Olson, Darrin Halvorson, Duane Lewis, Pastor Gary Fry, Frank Beaver, Gene Arnold, Rick Viktora, and Ken Moen.

Motion was made by Edevold to approve the minutes of May 30. Seconded by K. Anderson, passed unanimously. Motion was made by Edevold to approve the minutes of May 8. Seconded by Sutherland, passed unanimously. Motion was made by K. Anderson to approve the minutes of June 6. Seconded by Sutherland. Passed unanimously. Discussion by Mayor: In the last paragraph of the minutes where it states that the Mayor was comfortable without all this information, but it was reconfirmed that if HRDC was comfortable with the numbers they found, then he was comfortable with it. Motion was made by Edevold to reconsider the minutes of June 6th. Seconded by Sutherland, passed unanimously. Motion was made by K. Anderson to correct the minutes of June 6th as stated by Mayor Loiland. Seconded by Sutherland, passed unanimously.

Richard Olson, Manager for the Bagley American Legion, was present to ask the Council for a temporary liquor license. The Legion is sponsoring a Softball tournament on August 25 & 26 with about 120 players attending. They would like to sell tap beer at the ball fields. They may also have a dance in the parking lot behind the Legion on the 26th. This dance is not definite yet. Clerk informed the Council that the last time the City gave out a temporary license was in 1996 and there was no charge at that time for the license. Forms have been received from the Legion. When there is beer sold on City property, the Cities Insurance should be checked into. Forms must be into the State 30 days before the event. Edevold made the motion to approve the Temporary Beer License to sell tap beer on City property pending proper insurance papers and approval from the state. Seconded by Sutherland, passed unanimously. Motion was made by Edevold to approve the temporary beer license for the outside dance pending insurance papers, and approval by the state and Kubiaks to have it in his lot. Seconded by Sutherland, passed unanimously.

Duane Lewis was present to inform the Council of a parcel of property he has purchased within the City limits, and is having it platted. He plans on building a Senior Living Complex. Property is known as the old Cabin Court. He met with the Zoning Board the night before and has made suggested changes to the plat. He will pay for all the water and sewer that goes in. He is asking that the City do the Curb, gutter and paving. He did get a quote of \$43,000 to do this. Also, it was discussed with the Zoning Board to put about 6 streetlights in the project. City would also have to put in the power. Three concerns of the zoning board were the street width, utilities easements, and streetlights. This will be a common interest community. Lewis is not real familiar with this idea, but he believes they pay for the property tax on the footprint of the house and the association pays the taxes on the green space. This would be figured on the square footage of the lot. Lewis would be doing the lawn mowing and the snow plowing of the driveways. If the City takes over the road, the City would then plow it. Clerk informed Lewis that the Council must have more than one quote to do the work. Charges to the City would be paid back by Lewis in the way of Special Assessments. The proposed land is in a residential area and it would be Senior Living only. There would be seventeen units and one lot would be a green space with a gazebo for picnics or family gatherings or a gardening spot. Mayor mentioned that maybe Revolving Loan Funds could be used to do the City work. Edevold stated that his idea is to approve the plat and then work on the project plus the City would want the road because the utilities would be in it. Clerk explained the process of approving a plat. Council Members agreed it looked like a good project for the City.

Fire Chief Rick Viktora was present to go over the Fire Truck bids. Bids had been opened on June 4th by Viktora, Clerk Lindgren, & Mayor Loiland. Truck committee members went over the bids and their recommendation is to purchase the truck from Wallwork Truck Center for a price of \$70,355.00. Second bid received was from Nelson International for \$70,352.58. On the Wallwork truck, the frame is thicker, so for the slight difference in price the committee would like to purchase the Wallwork truck. Motion was made by Edevold to accept the bid of Wallwork Truck Center in the amount of \$70,355.00. Seconded by K. Anderson, passed unanimously.

Clerk was instructed to open the bids on the Police Dept. squad cars and salvage vehicles. Bids were as follows: Shawn Ysen: '87 S10 -\$138.78; '93 Lumina - \$127.78; '92 Olds Mini Van-\$52.24; '83 Camero-\$65.78. L.H. Strandlien-'87 S10-\$150.50. Dale Gray-'87 S10 - \$135.00. Paul Neltand-'87 S10-\$50.00 and 1998 Crown Victoria-\$1,000.00. Faye Jacobs-1998 Ford Crown Victora-\$1,252.00. Motion was made by K. Anderson to accept the bid of Faye Jacobs for \$1,252 on the '98 Ford. Seconded by Sutherland, passed unanimously. Motion was made by K. Anderson to accept the bid of L.H. Strandlien for \$150.50 on the S10. Seconded by Edevold, passed unanimously. Motion was made by K. Anderson to accept the bid of Shawn Ysen for \$127.78-'93 Lumina; \$52.24-'92 Olds Mini Van and \$65.78-'83 Camero. Seconded by Edevold, passed unanimously.

Motion was made by K. Anderson to approve the payment of the insurance to cover the Firemen for the 4th of July Fireworks. Seconded by Edevold, passed unanimously.

Department Reports: Gene Arnold, Park Attendant. Everything is going well in the Park except for problems with dogs. K. Anderson asked that the dog ordinance be advertised and put up signs in the park. Dogs are not allowed on the beach and must be on a leash. Arnold also thinks that liquor should not be allowed either. Clerk stated that shelters are charged for due to this. If it gets out of hand, then the police are called. Arnold would also like to get the parking lot marked out so people know how to park and he would like some speed bumps.

Police Department-Chief Darin Halvorson. Officer Podharadsky would like to join the Headwaters Swat Team. All the local departments have a least one Officer on the Team. A \$2,500 vest was donated to him by a metro agency. Training is held in St. Paul and this has been offered to him free, which would have cost \$700. Misc equipment costs around \$350.00. Motion was made by Edevold to allow Officer Podharadsky to join the Headwaters Swat Team. Seconded by Sutherland. Passed unanimously. Motion was made by Sutherland for the City to pay for any special clothing Podharadsky will need. Seconded by K. Anderson, passed unanimously.

Chief Halvorson asked for clarification on the contracting talk. He has heard that Mayor Loiland and Sheriff Erickson have been talking contracting, when the Police Officers had been told they would be involved if any talk was going on. Officers are uncomfortable not knowing what is going on with their positions. Mayor Loiland denied Halvorson's accusations, and that no discussions have been going on. K. Anderson stated that a committee had been set up to talk about contracting. Committee was made up of Mark Edevold, Steve Haugen, and Steve Beltz. Chief Halvorson asked for clarification from the Council about his being Chief and making the decisions on the work schedule. Discussion was held on the setting up of the work schedules for the Officers and working with the Council as a whole. Chief Halvorson stated he is doing the best for the City and looking out for the Public by having his Officers work a few extra hours instead of depending on the County the whole time. Edevold stated that the City has a Chief that is good to watch his budget and make decisions, and any major decisions should be made by the Council as a group. It is not just the Mayors position to do so exclusively and making arrangements with the County. K. Anderson stated it should be up to the Chief and if there is an issue it should come before the Council. Sutherland stated the Council should not micromanage the Department Heads. K. Anderson stated her assumption was in hiring a part-time Officer, the Chief schedules him to help fill in. Edevold stated the Chief made the decision to cover his department as he saw best fit so there is no issue. After more discussion on schedules, Mayor Loiland stated the meeting would be closed after all business is done, to discuss the matter further.

Liquor Store-Ken Moen, Manager. Moen asked for approval from the Council to be open on July 4th. Edevold made the motion to allow Moen to stay open. Seconded by Sutherland, passed unanimously. Moen brought before the Council a proposal on residing, roofing, adding an addition, and working of the front of the Liquor Store. Edevold would like to see specs set and then advertise. Moen feels that the front and roof are the most needed, but no dollar amount is known yet. If this plan is used, there is a \$500 fee for its use by the person who drew it up. Edevold feels it does not make sense to pour money into an old building. Profit & Loss is about the same as last year at this time.

Public Utilities-Frank Beaver. There have been a series of issues going on at the water plant. Information was handed out to Council members. More information will be given to the Council at the next meeting, hopefully more will be known. A Suit may have to be filed and League of MN Cities Attorneys will be involved. Sutherland asked if the problems stem from the contractor or the specs? Beaver stated both. Edevold stated the Utilities Commission is taking each logical step and documenting everything. League will be involved and their advise will be followed.

City Hall-Colleen Lindgren, Clerk. A thank you card from former Police Chief Steve Haugen was read. Discussion was held on the City Hall roof, which is leaking. Last year at budget time, Frank Beaver had asked that he be able to look into the roofing project. Clerk has asked him to do so, but Beaver stated he has not gotten anything yet. Quotes will be asked for, before the next Council meeting. Monthly budget reports were gone over. Information concerning JOBZ was given to the Council to discuss. Laurie Kramka, HRDC, has been working with ALPHA Development, who still wants to consider a JOBZ. They also want to look into Tax Increment Financing. Reggie Fraley, ALPHA, has told her that David Drown, Drown & Associates, is very good to work with small cities on TIF. Drown contacted Clerk Lindgren and told her that the State of MN will not like the JOBZ on an Assisted Living Facility. There have not been any done in the State. Drown feels that TIF works the best, and he will get hold of Fraley to speak with him about it. Fees to set up the District would be charged to ALPHA. Mayor Loiland stated that Fraley would like to work with both JOBZ and TIF. Clerk also informed the Council that when a JOBZ was set up for Team Industries, Economic Developer Randy Hilliard had used the acres from the City Garage lots for their Zone. Clerk spoke with BIDC Chairman Dr. Rudd Thabes about transferring some of the other BIDC land into this project, but he would like to have the BIDC Board meet on the matter. The possibility of splitting the property in two will be looked at.

Clerk reported that complaints have come in on garbage and dead trees in the Whispering Pines Trailer Court. Clerk will inspect the area and mail out letters to the appropriate people.

Motion was made by Edevold to transfer the following funds: Police Dept.: transfer in \$6,000 from 2006 designated funds and \$12,777 from 2007 wages to 2007 Capital Outlay. Seconded by K. Anderson, passed unanimously.

Motion was made by Edevold to contract with Michel Enterprises to do the janitorial work in the City Hall. Seconded by Sutherland, passed unanimously.

Motion was made by Edevold to pay the outstanding bills plus one to Chris Arnold for a wine rack, and withhold payment to WSN. Seconded by K. Anderson, passed unanimously.

Committee Reports: Liquor Store-Sutherland has met with Moen on the building project and wine sales are up.

Parks & Recreation: K. Anderson said that the lights are being used in the ball fields and Clerk was asked to mention to Softball Coordinator Larry Bellefy to make sure and turn the lights off as soon as possible after games.

Mayor Loiland closed the meeting for employee discussion at 8:30 p.m.

Meeting was reopened at 9:15 p.m.

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

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
JUNE 19, 2007

The Bagley City Council met in special session on June 19, 2007 at 7 a.m. in the Bagley City Council Chambers.

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

Discussion was held on the Kastner Addition 2007 Street Improvement project. Mayor Loiland stated that the project is not ready to be awarded yet. Mayor and M. Edevold met with landowner Cliff Kastner to see exactly what he would like to see done and where the dollar amounts will come from. Clerk will be contacting Ehlers & Associates for financial advice. The whole project is still being looked at to get done. Clerk informed the Council that the project bid must be awarded 30 days from the opening of the bids. Seven bids were received. Depending on what phase is done, there are three different bidders that that were the top bidders on each phase.

Motion was made by Sutherland to approve Resolution #18-07 AMERICAN LEGION POST 316 BINGO PERMIT. Seconded by D. Anderson, passed unanimously.

Motion was made by K. Anderson to approve Resolution #19-07 PERA POLICE OFFICER DECLARATION. Seconded by Sutherland, passed unanimously.

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

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
JULY 2, 2007

The Bagley City Council met in special session on July 2, 2007 at 8 a.m. in the City Council Chambers. Present were Mayor LuWayne Loiland, Council Members Mark Edevold, John Sutherland, David G. Anderson, and City Clerk Colleen R. Lindgren. Member Karen Anderson was absent.

Also present was Curt Meyer, Arnie Teige, Cliff Kastner, Don Nordlund, and Laurie Knutson.

Discussion was held on the 2007 Street Improvement in the Kastner Division.

Mayor stated that time is running out for the Council to make a decision on what is to be done. Mayor asked Kastner if he had come up with any numbers for the Council. Kastner stated that he must have a number from the Council on what they are planning to do. Estimated assessment numbers were received from Ehlers & Associates and given out. These numbers included sheets on whether the Council went with a 25% or 35% levy. Council must decide on whether to do the base work, Alternate 1 or Alternate 2.

Kastner stated that it will not work is the assessments are \$13,000 on each lot. Kastner asked if the Council has done anything on the easements on Willberg Ave. and for Wee Care and the Mayor himself. Meyer stated that the City Attorney has papers on the easements.

Kastner asked what the City is going to offer him for the two lots that are needed for the pond. Edevold stated that the very least would probably be the cost of the assessment. What is the valuation of a storm water plan? Idea is maybe to exchange lots also on Spencer and just take their value as what the assessment is. People may be offered more than what they are valued at.

Kastner again stated that the assessment has to be less than \$10,000 per lot to make it work. He offered to the City 17 of the lots he has, for \$110,000. He would keep the five lots on Valley.

Edevold asked Meyer what the add on for Valley Street is. He stated \$98,000. Meyer stated that the Council said they should get the City Attorney involved if they are going to get into purchasing the property.

Kastner feels that lot 4 is worth \$20,000 and Lot 5 is worth \$10,000.

Mayor called upon Don Nordlund representing Wee Care. They have concerns on customer parking, easement cuts into this area. He encourages the Council to move forward on the project. He feels the dollars will come back in the long run.

Edevold stated that each lot will be assessed for the improvement on the lot.

8:47 – D. Anderson left the meeting.

Meyer again stated that if the Council is looking at purchasing, they need to have the Attorney involved.

Motion was made by Edevold to have a special meeting on Friday July 6th at 7 p.m. After discussion, he withdrew his motion for 7 p.m. and change it to 4:30 p.m. Seconded by Sutherland, passed unanimously.

Motion was made by Edevold to adjourn the meeting at 9:20 a.m. Seconded by Sutherland, passed unanimously.

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
JULY 6, 2007

The Bagley City Council met in special session on July 6, 2007 at 4:30 p.m. in the Bagley City Council Chambers.

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

Councilman Edevold went over the progress of the 2007 Street Improvement Project in the Kastner Addition. Kastner is in favor of turning over some of his property to the City in lieu of the 25% down payment, which is in the neighborhood of \$30,000.

The Committee appointed to work with Kastner is making the following recommendations to the Council: 1) City participation in the over-all project be expanded from 25% to 35%. 2) Cliff Kastner will transfer ownership of the parcels listed below, to the City of Bagley in lieu of the 25% down payment required of Kastner for the development of unimproved lots. 3) The assessments on the remainder of Kastner's lots should be based on the basic formula except that Lots 7-13 Block 3, abutting Block 2 lots 5-8 Evergreen Drive, should be reduced by 25%. 4) Kastner will remove any and all trailer houses on the effected parcels prior to transfer of ownership to the City.

Parcel #: R23.333.0440 R23.333.0200 R23.333.0340 R23.333.0480 R23.333.0400
R23.333.0330 R23.333.0410 R23.333.0110 R23.333.0430 R23.333.0390
R23.333.0100 R23.333.0240 R23.333.0380 R23.333.0090 R23.333.0230
R23.333.0370 R23.333.0080 R23.333.0220 R23.333.0360 R23.333.0070
R23.333.0210 R23.333.0350 R23.333.0060

Cliff Kastner has agreed to all of these items.

Because the construction costs came in so low, the committee recommends that the Council go with the 35% levy instead of a 25% levy.

After discussion, motion was made by Edevold to increase the City participation from 25% to 35%, mainly due to the low construction bids on this specific project. Seconded by K. Anderson, passed unanimously.

Again on behalf of the committee, Edevold made the motion to accept receipt of the before mentioned list of land parcels in Kastners Division, as being in lieu of the 25% down payment that would have been required on Lots 7-13 Block 3 and Lots 5-8 Block 2. Seconded by Sutherland, passed unanimously.

Mayor Loiland asked of the Council, how much of the project does the City want to do. 100% or how much. Edevolds opinion is to do the whole project including sidewalks. Sutherland was also in favor of the whole project. K. Anderson asked what discussion has been done with the people along Willberg. Discussion has been happening with easements and relocation of the trailer home. Funds will come out of the contingency funds.

Motion was made by Sutherland to approve Alternate II, the whole project in its entirety. Seconded by Edevold, passed unanimously.

Motion was made by Edevold to approve the bid of Christiansen Industrial Developers in the amount of \$581,416.22. Seconded by K. Anderson, passed unanimously.

Mayor Loiland stepped down from his position as Mayor due to talk being held on easements for the project, which would directly effect him. Vice Mayor John Sutherland took over the meeting at 4:50 p.m.

Councilman Edevold handed out information concerning numbers on easements, which are needed for the project. Attorney Rasmussen wrote up easements with a \$1.00 amount on them. Rasmussen strongly recommended the Council not purchase property, but to do easements. Edevold stated that he and the committee has always felt that some dollars would be exchanged, and on a per square foot basis seems to be the best way. Rasmussen feels that everyone is gaining value that is why he went with \$1.00. The information Edevold handed out has the assessed value of each parcel # that would be affected. After explaining his

chart, the “bare lots” had a value of 20 cents per square foot up to 79 cents per square foot. His inclination is to offer people 80 cents per square foot for the easements. This may be a small fraction of what people think their land is worth, but the City is already putting in 35% of the project, plus an additional amount to relocate the trailer home on Willberg Ave. Sutherland asked how far back the mobile home needs to be relocated. About 30 to 40 feet. Members stated that it seemed fair to go by the square footage amount. What happens if someone says this is not acceptable? Then condemnation would be looked into.

Motion was made by D. Anderson to pay the 80 cents per square foot for easements. Seconded by Edevold, passed unanimously. Along Spencer the easements are 18 feet and on Willberg the easement is 25 feet. These would figure up to about \$17,330.00.

Vice-Mayor Sutherland handed the meeting back over to Mayor Loiland at 5:25 p.m.

Discussion was held on the mobile home on Willberg Ave. No decisions were made at this time until it has been looked into further.

Being there was no further discussion to be heard, motion to adjourn was made by Edevold. Seconded by D. Anderson, passed unanimously.

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
JULY 10, 2007

The Bagley City Council met in regular session on July 10, 2007 at 7 p.m. in the City Council Chambers.

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

Also present were Larry Peterson, Wendy LaRoque, Frank Beaver, and Arnie Teige.

Motion was made by Edevold to approve the minutes of May 15 as read. Seconded by D. Anderson. Passed unanimously. Motion was made by Edevold to approve the minutes of June 12 as read. Seconded by K. Anderson, passed unanimously. Motion was made by K. Anderson to approve the minutes of June 19 as read. Seconded by D. Anderson, passed unanimously. Motion was made by Sutherland to approve the minutes of July 2 as read. Seconded by Edevold, passed unanimously.

Wendy LaRoque was present to speak with the Council on the upcoming Art In The Park on July 28th. They would like to have some barricades put up, a sign put on the side of the Mercantile, electrical help, and use of the picnic shelters. Crazy Daze and Run For Fun will also be going on at the same time. Motion was made by Sutherland to approve the above-mentioned project. Seconded by D. Anderson, passed unanimously.

Clerk discussed the Wellhead Protection Plan Amendment Part I. Beth Kluthe, MN Dept. of Health told the Clerk that there were no boundary changes after adding the last City Well. There is no other vulnerability to the wells, and we are using an aquifer that is protected. A meeting was held two weeks ago with the Well Head Protection Committee. The amendment is needed due to adding on the new City well. Motion was made by K. Anderson to approve the Amendment as written. Seconded by Edevold, passed unanimously.

David Drown from Drown Associates was not present to speak with the Council on TIF.

Motion was made by Sutherland to approve Resolution #20-07 NORTHERN MUNICIPAL POWER AGENCY ADVISOR. Seconded by D. Anderson, passed unanimously.

Motion was made by Edevold to approve Resolution #21-07 NORTHERN MUNICIPAL POWER AGENCY DIRECTOR. Seconded by K. Anderson, passed unanimously.

Motion was made by D. Anderson to approve Resolution #22-07 ACCEPTANCE OF DONATION. Seconded by Edevold, passed unanimously.

Motion was made by D. Anderson to approve Resolution #23-07 RESOLUTION AUTHORIZING EXECUTION OF AGREEMENT. Seconded by K. Anderson, passed unanimously.

Resolution #24-07 APPROVING JOBZ MODIFICATION was discussed. Clerk informed the Council that the BIDC Board has approved the modification and the School District has also. It is unknown whether or not the County has approved it. This Resolution needs to be done before the State DEED Office will look at the project. Questions were asked on what Laurie Kramka has found out from ALPHA and the splitting of the property to do both JOBZ and TIF. If the Council does pass the Resolution and the State does not approve the modification, then the JOBZ property will stay in the Industrial Park. Clerk asked if the Council wants to hold off on the Resolution to see if David Drown shows up. It was agreed to do so.

Department Reports: Police Department-Sergeant Larry Peterson. Monthly reports were handed out.

Motion was made by Edevold to rebid the 1996 Ford Crown Victoria squad car. Seconded by Sutherland, passed unanimously.

Street Department-Arnie Teige. Two quotes have been received for crack filling at the Municipal Airport. Both companies have DOT crack filler and certificate of insurance. Pitch Black - \$14,315 and Bargain Inc. - \$15,016. This is a project that the Dept. of Aeronautics would pay on a grant program of 80%-20%. Motion was made by Edevold to accept Teige's recommendation of Pitch Black in the amount of \$14,315. Seconded by K. Anderson, passed unanimously.

Also a new beacon is needed and this can go through the 80-20 program. Beacon is a medium intensity with a 30-foot tip down pole. Pole is \$650, beacon \$3,617, installment is \$750.00. These prices come from Hallibrite, Inc. Motion was made by D. Anderson to install a new beacon at the above quoted prices. Seconded by Sutherland, passed unanimously.

Public Utilities-Frank Beaver. No response has been received on the water plant problem. Numbers on cost to fix may be cheaper than going through an attorney. Will bring more to the Council at the next meeting. Substation work is still going on. Gas Pipeline safety will take place in August. They will be gathering up iron and giving to junk dealer. Working will DNR on deer petition, which will be discussed in June 2008 at the DNR Annual meeting.

City Hall-Clerk Colleen Lindgren. Two quotes have been received to fix the roof of the City Hall. Quotes were very similar except one did not include insulation. Clerk was instructed to contact this company to add insulation, and bring back to the next Council meeting. Clerk informed the Council that only \$10,000 has been put in the budget so funds may need to be gotten from Public Utilities.

Clerk reported on the Spencer Avenue project. Contractors will be working on Willberg Ave. in 3 weeks or more. Completion date has been moved from October 1 to October 15. Contracts will be in the Clerks Office early next week to be signed.

Al Rasmussen had contacted the Mayor about a new City Sign for the west end of town. The sign in that area has been blown down and wrecked. There is \$1,000 in the City Budget for signs. Motion was made by K. Anderson to approve up to \$1,000 towards a City sign for the west end on town. Seconded by Edevold, passed unanimously.

Edevold questioned the sign being put up on the east side of town. Clerk stated that this is the property that the City leases to Dan Larson. Clerk was instructed to bring the lease to the Council at the next meeting. Lease payment is \$50.00 per year.

Discussion was held on the 2008 Budget. Council would like to see a wish list of the Department Heads before they sit down with the City Clerk. Special meetings will be held on August 7th and August 27th at 6:30 p.m. Clerk will be attending a meeting in Thief River Falls on August 23rd concerning the City Health Insurance. A proposed Levy must be certified to the County by Sept. 15th.

Motion was made by Edevold to approve the Liability Coverage Waiver Form for the Cities League of MN Cities Insurance. Seconded by Sutherland, passed unanimously.

Motion was made by Edevold to pay all the outstanding bills with the exception of holding out the Widseth Smith Nolting bill. Seconded by K. Anderson, passed unanimously.

Edevold asked that the Clerk check with Cliff Kastner on getting the deeds for the proposed land purchase. City Attorney has told the Clerk that Kastner must do this through his Attorney.

Mayor Loiland stated that he has been working with volunteers to get a shelter built at the ball fields. There is a designated fund of \$4,000 set aside for work at the ball fields. He has numbers coming in on cost for a shelter. Lions Club has shown some interest in helping. He knows the dollar amount is less than what was put aside for the ball fields. Motion was made by K. Anderson to approve, not to exceed \$4,000, on the construction of a shelter for the fields. Seconded by Edevold, passed unanimously.

Teige reported that he has met with a man from MNCAM concerning the pipeline coming through City property. Easements will run around the airport.

Clerk reported that the Park Committee will be having a booth at the County Fair to inform people what they may be proposing for the City Park.

Discussion was again held on Resolution #24-07 JOBZ MODIFICATION. Mayor asked why the Council Members do not want to pass the Resolution. Edevold stated that he does not agree with it. Sutherland stated that at previous meetings it was discussed that other facilities in the City may want it if we allow this one. Mayor Loiland asked if the Council does not want to assist them? It does not give them authority to start building. He would like to see it approved and move ahead with the project. K. Anderson stated that Laurie Kramka's thoughts were that this is not a commitment for the City but it still needs to be approved to move ahead. Edevold stated that there is a need for the facility but he still has a problem offering a "free be" program to one and not all. It looks like the City is giving them approval for the project. K. Anderson stated the City has not heard anything from anyone and they have not been at any more meetings. Sutherland agreed. D. Anderson stated that the thing that bothers him is they should be represented at the meeting if this is a \$3.5 million project. After much discussion, motion was made by Edevold to table Resolution #24-07 until the next meeting. Seconded by Sutherland. For: Edevold, Sutherland, D. Anderson, K. Anderson. Opposed: Mayor Loiland. Motion carried.

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

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
JULY 16, 2007

The Bagley City Council met in special session on July 16, 2007 at 4:30 p.m. in the City Council Chambers. Present were Mayor LuWayne Loiland, Council Members John Sutherland, David G. Anderson, and Clerk Treasurer Colleen R. Lindgren. Members Mark Edevold and Karen Anderson were absent.

Also present were Allen & Judy Potvin and daughter, Laurie Kramka, Al Rasmussen, Tom Kooiman, and Reggie Fraley.

RE: JOBZ – Assisted Living Facility.

Mayor Loiland asked what questions or concerns the Council has on the project. Sutherland asked if the County and the School have approved the JOBZ Modification. Laurie Kramka stated that they have approved the modification and the resolutions have been sent into the state. Sutherland asked who has the final OK on the modification. Kramka stated that if the City approves the Resolution, she will fax it in right away to the Commissioner of DEED, and the State will need to approve it.

Council Member Karen Anderson entered the meeting at 4:40 p.m.

Reggie Fraley explained that if the State approves it, then a Public Hearing would be needed by the Council to inform the City residents the intentions of going through the JOBZ Program and the TIF Program. JOBZ is needed for the benefit package to help subsidize the project. They would qualify for an S Corp. under the JOBZ, which means they would qualify for State Income tax deduction and a Sales tax deduction. Under JOBZ, you do not qualify for real estate tax breaks, that's why the TIF District is needed. Kramka informed the Council that once the building is built, then the increment would be to look between the now tax and the then tax. The number of years put on a TIF District, are negotiable, hopefully it would go the same as the JOBZ, which is 2015. Fraley stated that when speaking with David Drown, his fee could be rolled into their project, so the City has no out of pocket fee.

Sutherland asked if JOBZ doesn't work according to the state, what would happen then. Fraley said there is a need here. They are not in excess. If it does not get approved, they need to find a program to get a dollar flow. Without JOBZ, the project would be stressed. At first the state has said they would not accept the JOBZ modification. He has spoken to the state on the residential area of the project. State is saying yes to two parts of the project, but not the whole so far. Prevailing wages were discussed. JOBZ creates new jobs. They are looking at 15 fulltime jobs – 4 to 4 ½ indirect jobs. Kramka explained that the amount of jobs is in the subsidy agreement. In JOBZ, the lowest base wage amount is \$10.72, which includes benefits. Fraley will put into agreement 9 jobs, due to if the facility is not full; they are not required to keep 15 jobs.

Sutherland asked about the financial package, which HRDC had not gotten yet. Fraley stated it would be gotten to Kramka immediately, if the Council approves the Resolution. Tom Kooiman, ALPHA Development stated he could get it to Kramka tomorrow. Fraley stated he has spoken with Senator Rod Skoe and DEED Commissioner Dan MacEnroy.

Mayor Loiland asked what the total package savings would be with JOBZ. Fraley stated that there is projected to be a savings of \$147,600 in sales tax, \$51,400 in state tax, \$274,000 local property tax, and \$902,000 for local school taxes and such. This would be a total savings of \$1,375,000 that they are looking at.

K. Anderson asked that if the state does not approve this project, that they keep the Council informed on what is going on. Fraley stated that if it does not get approved, he has already been in contact with larger cites to get it built. They want to put it in this community because there is a need here.

Motion was made by K. Anderson to approve Resolution #24-07 APPROVING JOBZ MODIFICATION. Seconded by Sutherland, passed unanimously.

Being there was no further discussion to be heard, motion to adjourn was made by K. Anderson. Seconded by D. Anderson, passed unanimously.

LuWayne Loiland
Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
JULY 25, 2007

The Bagley City Council met in special session on July 25, 2007 at 4:30 p.m. in the City Council Chambers.

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

Clerk Lindgren went over the Pre-Sale Report: General Obligation Improvement Bonds. Motion was made by Edevold to approve Resolution #25-07 RESOLUTION PROVIDING FOR THE SALE OF \$820,000 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2007. Seconded by K. Anderson, passed unanimously.

Clerk Lindgren stated that she had spoken to Engineer Meyer and Steffen from the Bemidji DOT about a bond to cover the cost of the approaches onto Hwy 2. DOT requires a bond when any work is being done on the Highways. The cost is \$1,000 per approach and two approaches will be worked on. The cost of a bond is very costly so they will allow a certified check to be given to DOT. Motion was made by Edevold to allow the Clerk to pay \$2,000 to DOT for the permits. Seconded by D. Anderson, passed unanimously.

Clerk stated that all easements have been gotten for the street improvement project accept for the Tverberg family, which Attorney Rasmussen is working on, and LuWayne & Jody Loiland.

Mayor Loiland reported on the moving of the mobile home on Willborg Ave. A used mobile home has been found for LaFerriere. There are two old sheds that need to come down which the Street Dept. can do after they are empty. The other trailer will be hauled out also. The water and sewer will need to be extended. Zoning Board will be asked for a temporary variance to put a trailer in for the sole use of Nels LaFerriere.

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

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
AUGUST 7, 2007

The Bagley City Council met in special session on August 7, 2007 at 6:30 p.m. in the City Council Chambers.

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

Also present was Police Chief Darin Halvorson.

Halvorson stated that there is a problem at the present time with vehicles. His car has 120,000 miles on it and there are electrical problems. Officer Peterson's car has about 100,000 miles on it. Halvorson has spoken with the Lease Company that the last squad car was purchased from and they have a four-year lease program, with an annual payment of \$6,613. He would like to see \$13,500 put in capital fund to lease two cars. You could do a three-year lease at \$8,622 per year. The repairs and maintenance budget is high due to the large repairs done on the cars.

Member K. Anderson entered the meeting at 6:37 p.m.

Halvorson continued with the Police Budget. The phone costs could be reduced by \$500 due to new cell phone system. Repairs and maintenance would also go down with new cars. Mayor asked how the rest of the budget looked. Clerk explained that she did not run all the figures off because she was under the understanding that the Council only wanted a wish list from the Department Heads. Mayor asked how the three-man schedule was going. Halvorson stated that the wages should go down with three men. Mayor also asked what he is looking at in wages. Halvorson stated wages would get adjusted as per what wages will be. He has looked at a 2% increase when figuring up wages but that would only be for him, because the rest of the Officers are under Union Contract. Mayor was under the understanding that Department Heads would be bring all of their budget items to the table. Clerk stated she has not sat down with Department Heads to go over everything in their budget due to they were told to bring their own budgets to the table before she met with them.

Clerk had handed out a sheet on what will be asked for in the City Hall budget. The computers in City Hall have been there since 2000 and are outdated. For 2 stations with printers it is estimated to cost \$4,000. Also, the inside of city hall needs to be painted and this is estimated at \$4,000. Other items on the City Hall budget included bonding payments, airport improvement payment, historical structure upkeep, beautification, and wellhead protection.

Arvin Teige was absent due to illness. Each budget was discussed somewhat in light detail. Clerk was instructed to check on what it would cost on insurance to have an outdoor ice skating rink. She was also instructed to get a template, from the League Of MN Cities, on recognition of City Employees. Mayor asked that a breakdown on how many RV sites and how many tent sites have been rented out.

Under Economic Development, Mayor Loiland feels that it would be good to keep paying into CEDO. K. Anderson hopes that the County will reevaluate the program. Mayor stated that the City does benefit from all Economic Development in the County. Approximate amount that the CEDO is looking at charging to the City is \$5,500.

Members also asked the Clerk to check on the City paying for ads to promote the City for Community Pride. Clerk will call the League on this and also the City of Fosston, as someone stated that they do this.

Mayor stated that the Legion has asked if the City would pay for providing two more Port-A-Johns at the ball fields during the Legion Softball Tournaments on August 25 & 26. Clerk was asked to check into the price of this.

Clerk will sit down with Department Heads before August 27th to get better figures on what each department has spent to date and what they will need for next year.

A third meeting to work on the Budget will be held on September 4th at 6:30 p.m., if needed.

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

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
AUGUST 14, 2007

The Bagley City Council met in regular session on August 14, 2007 at the Bagley City Council Chambers.

Present were Vice-Mayor John Sutherland, Council Members David G. Anderson and Karen Anderson. Mayor LuWayne Loiland and Councilman Mark Edevold were absent.

Also present were Police Chief Darin Halverson, Duane & Laurie Lewis, Al Rasmussen, Dan Larson, Charlene Olson, Howard Moore, Todd Hagen, Pastor Gary Fry, Utilities Manager Frank Beaver, and Fire Chief Rick Viktora.

Motion was made by K. Anderson to approve the minutes from July 6, 10, 16, 25, and August 7th. Seconded by D. Anderson, passed unanimously.

Dan Larson was present to speak with the Council about his sign lease. The sign he is constructing is a wood structure and it could be removed if needed. D. Anderson asked if it would be solely for City businesses? Larson stated it would be for the City or something that would not be competing with another city business. Right now Grandma Bees has put an advertisement on part of it, and he is looking into two other local businesses. He is following all City and DOT ordinances. Sutherland asked what is the going rate for sign land lease in the surrounding area. The cost of Larsons lease is lower than those in the Bemidji area. Average cost is \$200 to \$400 per year. Majority are under \$300.00. Larson feels with the expenses he has, he will not be in the black for about 3 years. D. Anderson said that he wants to see the sign kept in good condition so it does not make the City look bad, because it is helping the local businesses. Motion was made by D. Anderson to approve the sign lease for one more year at \$50.00 per year. Seconded by K. Anderson, passed unanimously.

Charlene Olson and Al Rasmussen were present to speak with the Council about a grant program they have heard about. In 2008 the State of Minnesota will be 150 years old. The local Chamber is planning ahead for a celebration on the 4th of July. They are planning a parade and other activities. The County can apply for a grant to construct a new sign on the Court House lawn.

7:25 p.m. – Mayor Loiland entered the meeting.

The Chamber is planning a fundraiser to raise dollars for the 2008 City Fireworks. Al Rasmussen would help write a grant, for the City, in the amount of \$1,000. This is called a Legacy Grant. The grant would be to purchase T-Shirts with a state logo on them, which would then be for re-sale, which would put dollars in a fireworks fund. August 15 is the cut off date or a later date in the winter will be looked at. (Vice-Mayor Sutherland turned the meeting over to Mayor Loiland at this time.) This is a matching grant, in kind and dollars can be the match. Motion was made by K. Anderson to approve Rasmussen writing the grant for the City. Seconded by Sutherland, passed unanimously.

Howard Moore, Zoning Administrator, was present to speak with the Council about a plat the Zoning Commission approved at their Public Hearing, which was held on August 9th. The plat has been developed for Duane Lewis who is planning on building a Senior Living Complex in Lakeview Addition. Mayor Loiland stated that in past practices the Council has gone with paying 25% of the project and assessing the rest. This would be on the curb, gutter and blacktop. He feels this could be pulled out of the general fund dollars. Lewis would be paying for the roadwork, sewer and water, and hookups. Lewis is willing to sign off on having a Special Assessment Public Hearing being he is the only landowner. Motion was made by D. Anderson for the City to participate at 25% on the curb, gutter, and blacktopping. Seconded by Sutherland, passed unanimously. Motion was made by Sutherland to accept the plat of Duane Lewis. Seconded by K. Anderson, passed unanimously.

Todd Hagen, from Ehlers & Associates, was present to explain the bonding for the 2007 Street Project. Low bidder is United Bankers' Bank of Bloomington, MN. 4.3768% is the

true interest rate. Principal amount is \$820,000. Bid tabulation was gone over and so was the Bond Issue. Motion was made by K. Anderson to pass Resolution #29-07 ACCEPTING PROPOSAL ON SALE OF \$820,000 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2007A, PROVIDING FOR THEIR ISSUANCE, AND LEVYING A TAX FOR THE PAYMENT THEREOF. Seconded by Sutherland, passed unanimously.

Hagen also explained what the City Council is allowed to do with some funds left over from the Industrial Park Project Bond. These funds can be used to pay off the debt account, use for improvement in the Industrial Park, or used on another project if 20% of a project is assessed.

Motion was made by D. Anderson to pass Resolution #26-07 ACCEPTANCE OF DONATION. Seconded by K. Anderson, passed unanimously.

Motion was made by Sutherland to pass Resolution #27-07 ACCEPTANCE OF DONATIONS. Seconded by D. Anderson, passed unanimously.

Motion was made by Sutherland to pass Resolution #28-07. AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT OF TRANSPORTATION GRANT AGREEMENT FOR AIRPORT IMPROVEMENT EXCLUDING LAND ACQUISITION. Seconded by K. Anderson, passed unanimously.

Department Reports: Police Department-Chief Darin Halvorson. There are two education classes being offered in Bemidji. Cost is \$300.00 for the two classes and both pertain to Police Management Concepts. One is Sept. 18-20 and the second is Oct. 17 & 18. Motion was made by K. Anderson to allow Halvorson to attend both classes and the City to pay the registrations costs. Seconded by D. Anderson, passed unanimously.

Fire Department-Chief Rick Viktora. Viktora informed the Council that the Fire Dept. has applied for a FEMA Grant and they have been approved to receive \$32,000. This will be for a tank filling system, lap top computer, projector and training material. Present filling system was put in in 1972. 5% matching fund can be paid out of the Fire Dept. equipment fund. Motion was made by Sutherland to accept the FEMA Grant in the amount of \$32,000. Seconded by K. Anderson, passed unanimously.

Viktora informed the Council that there is a matching fund DNR Grant for hoses, pagers, and radios. He is looking into this further to apply to.

Liquor Store: Clerk Lindgren informed the Council she had put some papers in their packets concerning a register system for the Liquor Store and a quote on doing some work on the building. Sutherland stated he would like to see a second quote to remodel the Liquor Store. K. Anderson made a motion to advertise the job with specs, and to have the quotes back to the City by the 27th. Seconded by Sutherland, passed unanimously. Questions on the project should be addressed to Manager Ken Moen.

Public Utilities-Frank Beaver. Concerning the City Hall roof problem, the Public Utilities have approved paying \$15,000 towards the repair of the roof. The utilities department will fix the water plant. League of MN Cities has been consulted on this. Sewer relining will be done on Oak and Brown. Spencer Ave. project is progressing. There were some safety issues noted and discussed with the Engineers. Ballpark restroom facility will be looked into. The Commission talked about doing more work in the Industrial Park and their feelings are that they are not in real favor of spending more money on it until a business comes into the Park. More discussion was held on the water plant repairs. Sutherland asked about contacting the Better Business Bureau and to get the word out to other cities about the company that did the work.

City Hall-Colleen Lindgren, Clerk. A thank you card was read from the Bagley Senior Center, thanking the Council for their help towards payment of their Utility bills. All easements have been gotten and filed at the Courthouse on the 2007 Street Project. A contract has been received from WSN for the Engineering work on the 2007 Street Improvement Project. Motion was made by Sutherland to table the signing of the contract

until Engineer Meyer can be talked to on it. Seconded by D. Anderson, passed unanimously.

Clerk reminded the Council on the Retirement Party for Former Police Chief Steve Haugen. No policy has been put in place for payment of a plaque and a cake. Motion was made by K. Anderson to adopt Resolution #30-07 EMPLOYEE RETIREMENT RECOGNITION POLICY. Seconded by D. Anderson, passed unanimously. Clerk will be attending an Employee Health Insurance meeting in Thief River Falls on September 23rd.

Clerk was instructed to open the bids received on the Police Squad Car.

\$550.00 – Barbara Aos. \$731.99 – Lowell Hagen.

Motion was made by K. Anderson to accept the bid of Lowell Hagen in the amount of \$731.99. Seconded by D. Anderson, passed unanimously.

Clerk reported that she has gotten another quote on adding insulation to the roofing quotes. The winter heating bills for 2006-07 ranged from \$57.75 to \$233.79 a month. Quotes were as follows: Bemidji Roofing, without additional insulation \$16,575 and with insulation \$19,975. Darin L. Halverson, without additional insulation \$17,937.69 and with additional insulation \$22,878.19. Bemidji Roofing would put ½” wood fiber cover board; install loose-laid, ballasted EPDM rubber membrane and rock. Halverson would put fiberboard over insulation and screw it down. Then glue down 60-mil rubber on fiberboard.

Beaver informed the Council that the Commission had talked about it at their meeting; Edevold stated that people are starting to return to putting rock on the roofs due to rubber deteriorating. Clerk stated that Halverson’s warranty is 10 years on materials and 2 years on labor. Bemidji Roofing is 10-year warranty on materials and labor. Mayor stated that he personally likes the glued down rubber roof better. If he was to do it himself, he would do the rubber roof. Council does not necessarily have to go with the lowest quote.

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

Sutherland stated he likes the Bemidji Roofing bid because they have a 10-year warranty on both materials and labor. Motion was made by Sutherland to accept the bid of \$16,575 from Bemidji Roofing. Discussion: D. Anderson asked for sure if Public Utilities will be paying the \$15,000 for sure. Also the Clerk stated that the left over City funds may be needed to fix the wall in the men’s restroom due to moisture on the back wall. Mayor Loiland stated that he knows the work that Halvorson does and he is good to come back and fix what needs to be done. Seconded by K. Anderson. For: Sutherland, D. Anderson, and K. Anderson. Against: Loiland. Motion carried.

Motion was made by K. Anderson to approve the Parade Permit Application put in by the Bagley High School Student Council. Seconded by Sutherland, passed unanimously.

Clerk stated that the Police Union Negotiations will be opened up soon and the Council must pick a negotiator. Sutherland declined due to his being the Union Stewart for Clearwater County. Mayor Loiland stated he will do the negotiations being he is the Department Head of the Police Department.

Motion was made by D. Anderson to rent two more Port-A-Johns for the softball tournaments being held this weekend. Cost to be \$120.00. Seconded by K. Anderson, passed unanimously.

Motion was made by Sutherland to transfer \$1,410.10 from the 2006 Designated Funds to the Fire Dept. fireworks for 2007. Seconded by D. Anderson, passed unanimously.

Motion was made by K. Anderson to pay the outstanding bills, excluding Widseth Smith Nolting. Seconded by D. Anderson, passed unanimously.

Committee Reports. John Sutherland-Liquor Store. If and when the Liquor Store is remodeled, the bars may need to be put back up on the front of the building. Moore suggested asking Gary Gesell about lightweight gates.

Buildings/Transportation-David Anderson. T.H.E. Bus was very busy during the County Fair. He will get stats from the Company.

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

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
AUGUST 27, 2007

The Bagley City Council met in special session on August 27, 2007 at 6:30 p.m. in the City Council Chambers.

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

Also present were Arnie Teige, Darin Halvorson, and Rick Viktora.

Discussion was held on the Widseth Smith Nolting contract. The amounts are correct and the dollar amount was given to the Council earlier. Motion was made by D. Anderson to approve the WSN Contract. Seconded by Edevold, passed unanimously.

Mayor Loiland and Councilman Edevold will meet with Engineer Curt Meyer on August 31 at 1:30 p.m. to discuss the Special Assessments to be put on the properties in the 2007 Street Improvement project.

Liquor Store Project Quotes: Clerk informed the Council she had two contractors ask if the Council would extend the date on getting quotes in. They felt that they were not given enough time. Sutherland stated he also felt it should be left open longer, such as Sept. 11th, due to the Manager had also gone on vacation so they were unable to ask questions of him. Motion was made by K. Anderson to re-advertise and to look at the quotes on Sept. 11th.

Fire Department Budget: Chief Rick Viktora. Clerk stated that she had gone over the budget with Viktora to advise him on the regular month to month expenses. Viktora said he had met with the other officers concerning the wages. He has also checked in with other local departments. They would like to see a raise from \$5.00/fire and \$4.00/drill to \$7.00 for fire calls and \$7.00 for drills. They would also like to see a raise for the Officers. Officer was asked to come back to the December meeting on raises. Wages and salaries would not need to be raised even with these raises because he feels there is enough money in the budget. Telephone budget was raised due to the new computer system needing Internet service. All reports now need to be done electronically. The legal expense was dropped.

Beautification: Crystal Schmitz was unable to be at the meeting. She did state to the Clerk she would like to see the same budget as 2007, which is \$7,110.00.

Police Department: Clerk Lindgren informed the Council that the employee's health insurance is increasing by 18.1%. This computes out to \$1.07 per hour plus PERA is going up at 4 cents per hour. Department Heads would like to figure in a raise of \$1.50 per hour. Clerk Lindgren stated this is what she figured in all departments. K. Anderson stated she does not think that PERA should be figured in due to this is a retirement and the City matches it already. Edevold stated that for budget purposes, he is comfortable with those numbers at this time. Mayor Loiland asked about the 2 cars listed on a 4-year lease program. He would certainly support one. Under legal services, a program called Family Advocacy was added. This is a new program for assault victims, which is mandatory to pay for when someone is assaulted. On the contracted services, the County Sheriff will be talked to about getting this lowered. Bagley pays \$12,000, whereas Clearbrook and Gonvick pay nothing. Mayor asked if the Council wanted to assume 2 vehicles now or look at just one. Halvorson stated that if they go with only one car on a four-year lease, the other vehicle might not make it through the year. At some point the Council will need to double up. Edevold stated at this time there will be no guarantee on 0 – 1 or 2 cars, but to leave the dollars in to see how the funds come out. Halvorson stated that if two cars were not approved, then the repairs and maintenance would need to be upped by \$3,000.

Roads & Bridges: Arnie Teige. Unemployment was lowered by \$1,000. Phone will go up due to adding a cell phone. There are no dues paid in, so this was taken out. As for gas, it is unforeseeable on how much will be used due to weather conditions. Would like to see a truck purchased in 2008. Could go with a lease program over 5 to 7 years, and just put \$10,000 into the account again. Has \$54,000 in an account already for this truck. Would also like to put \$4,000 more towards a flower truck. Teige asked for raises for his

employees. He would like to see \$1.50 for Coyer, along with the snow help going from \$8.00 to \$10.00 per hour; Al Spring from \$8 to \$10 per hour; and summer workers from \$7 to \$8.50 per hour. Spring has worked for the City for 7 years. Mayor Loiland stated he could see raises for spring and the winter help, but not the summer help. It might work to go on a step raise for the summer workers. K. Anderson and D. Anderson agreed.

Teige stated that he would get numbers on the lease program for a truck. Loiland stated he knows there isn't a truck out there to water the flowers that cost \$4,000, but \$8,000 should be enough to purchase one. Edevold talked about volunteer help and if purchasing a truck at \$8,000, maybe Teige could use it as a plow also. Teige stated that you need dedicated people to do the watering as a volunteer.

Parks & Recreation. Teige stated that he has not done any major work in the park this year due to not knowing just what the Park Planning Group is doing. Electrical boxes on the north side need to be upgraded now.

Mayor Loiland stated he would like to see an outdoor skating rink and put some funds into this. Clerk stated that the insurance costs would be figured on how much money is put into constructing the rink. Edevold stated that he would like to see something put in, to see if people would use it. Suggestions were either the frog pond area or at the ball fields on the south end of town. Edevold stated that if it is used, maybe later on a warming house could be built. D. Anderson stated that if the ball fields were used, that maybe the warming house could be used as a concession stand during the summer. Mayor would also like to see a sewer line/manhole for the ball fields for future toilet facilities. This could be done yet this fall when the lines are being worked on in the area.

Wages: K. Anderson asked that the same wages be left in and work on it more towards the end of the year. Edevold stated to put in \$12,000 for Lifeguards and put out feelers on what wages are and if there is anyone taking training. Hours may need to be changed. Mayor was not comfortable putting in \$12,000; he thought more about \$5,000 to \$6,000. K. Anderson feels there will be an issue if something happens. She feels the beach area is not used as much due to no lifeguards. Edevold stated that it is a common thing that people want. The \$12,000 can be taken out later if not needed.

Cemetery – no changes.

Airport. There will be additional costs to the beacon this year due to cement being put in. No additional changes in the budget. Teige explained the construction of a departure building, which should be put in, including a bathroom. This can be cost shared with the State of MN Aeronautics office. Edevold asked that Teige bring costs to the Council by December.

Teige asked to go back to the Roads & Bridges budget. In 2009 or 2010 Bagley Ave. will be re-constructed by Clearwater County. There are some City streets that tie into the project, so Teige asked if the Council wanted to set funds aside for this. There would be 8 blocks that the City would have some costs. Edevold suggested putting in \$10,000 for this future construction.

Community Service: no changes.

Zoning: budget was discussed with Administrator Moore and no changes were needed.

Economic Development: Clerk stated she has not heard any contract amount from CEDO. \$6,000 was left in to go to the Industrial Park fund. Mayor Loiland stated he had heard a contract amount of around \$5,500. Budget will be left as is.

City Hall-Colleen Lindgren. Contracted Services was set at \$5,100 for janitorial services. Wages and benefits were figured same as other departments. Printing/publishing was lowered by \$6,450.00 due to ordinance work was put in for this year. Discussion held on Senior Center utilities. Members felt the Center is well needed in the City. A board member will be asked to attend the next budget meeting. Election expenses of \$3,200 were put in due to elections in 2008. Capital expense was set at \$8,000 for painting the inside of city hall and a computer system. City Wide Improvement was set at \$213,233.86. This covers the bond payments for City projects, wellhead protection and a historical structure upkeep of \$500.00. Utilities for Senior Center will be raised by \$1,000 to put the City share at \$4,000

and the Public Utilities share at \$3,000. K. Anderson stated she would like to see what they are looking at in the future.

Council decided to go with the number changes and see what all the budgets look like at the next budget meeting.

Sutherland stated he is wondering if the Council should start looking at Police contracting and comparing numbers for the future. Mayor Loiland stated that he had asked K. Anderson about sitting on a committee and getting a list together on why or why shouldn't the Council explore this. Sutherland feels people will be asking on this. K. Anderson stated the Council should see how this year goes and with a budget in place for next year the funds are there. She suggested that the Mayor set a meeting with the County and the Police Chief to start things going.

K. Anderson stated that people are also asking about the park project. A Public Meeting will be set up by HRDC. Edevold stated that the Police Department contracting should be approached as a what if, not as a done deal.

Next meeting for working on the budget will be Sept. 4th at 6:30 p.m. Edevold will not be able to attend.

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

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
SEPTEMBER 4, 2007

The Bagley City Council met in special session on September 4, 2007 at 6:30 p.m. in the City Council Chambers.

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

Also present were Ken Moen, Darin Halverson, and Arnie Teige.

RE: 2008 Budget work night.

Lowell Hagen was present on behalf of the Bagley Senior Citizen Center. Hagen explained what is needed in the Senior Center. New floor covering and stainless steel cupboards are a must. Clerk stated that she had figured out the Utility bills, and with the funds the City puts in and the funds the Public Utilities puts in, they should have enough to last the year. Council thanked Hagen for bringing information to them.

Dan Godin, Vice-President for the Hockey Association, was present to thank the City Council for all the help they have been given on the Utility bills for the Hockey building. They are looking at fund raising programs instead of hitting the merchants. They are also looking into pull-tabs. The number of students participating has been stable. Clerk stated that the \$6,000 paid towards their utility bills only covers around 3 months.

Clerk stated that she and Liquor Store Manager Moen worked on a budget for 2008. Moen would like to see the profit margin up 1 to 1 ½ % more. As for wages he would like to get \$1.50 per hour for all his employees, including part-time. Capital expense was left at \$15,000 with another \$15,000 being transferred to the City account. Sutherland asked about contractors coming in to bid on the remodeling project. Moen stated that the contractors want to see a plan. Mayor stated that the plans need to come forward and made public. TeHennepe stated that it was not actually stated that the plans were public but it does make sense to show them. TeHennepe also asked if Moen has been looking into the automated service for the store. Moen has been looking into it with other Liquor Stores, and has gotten some information on it.

Police Department. Clerk stated that she had gone over the wage area and on the last budget meeting she had omitted the longevity pay on Halvorson and Peterson. Also on Podhradsky, the step wage increase for October had been omitted. These increased the budget by a small amount. Chief Halvorson asked Sutherland if he had spoken to Sheriff Erickson on the Dispatcher Contract amount. Sutherland stated he had and the services will be lowered by half beginning January 1, 2008. The Police Officers will be doing more of the work that the dispatchers did before. The Officers will now be doing all their own NSF checks and are expected to fill in all the ICR's. They also may need to be trained in on the first witness program with a cost of \$1,500. There may be a place where the state gives the training at no cost.

Roads & Bridges-Arnie Teige. He has received two lease/purchase quotes for a truck. One from Wallwork Trucking in the amount of \$108,787 and one from White Freight at \$115,430. Teige would like to pay what is in the truck fund and finance the rest. Would like to keep \$2,000 in the truck fund in case something comes up. The following figures would be with paying down \$48,000, with a finance amount of \$60,787. With Wallwork the lease would be as follows: 5 year finance, payment would be \$13,541.19/year. 6 year finance, payment would be \$11,569.00/year. 7 year finance, payment would be \$10,186.93. These prices are for a 2008 truck. Mayor personally likes putting the money up front and using the 7-year lease. This would raise the truck budget to \$11,000.

Mayor asked at what point does the Council decide on what to do with wages/salaries. TeHennepe stated she feels the Council needs to feel comfortable with what they put in the budget before it goes to the Public Hearing, rather than just throwing it in and having to deal with it. Sutherland agreed. Loiland stated he is not in favor of a \$1.50 raise. Does the

Council want to discuss it now or when? TeHennepe stated that you can't promise people what they will do from year to year. She would like to see some type of criteria in place. Discussion was held on health insurance benefits.

Parks. Teige brought up the fact that 10 new electrical boxes are needed in the City Park. Approximate cost to be \$9,565.00. He would like to do this now to use the 2007 budget funds. Teige had spoken to Utilities Manager Beaver, and he had stated they would furnish the wire, so there is no cost there. Mayor asked if there was any construction for the next two years that the Park Task Force is looking at. TeHennepe stated that hopefully, if funding is found. Main parts they are looking at is the beach area first and then the boat landing.

Mayor Loiland asked to go back to the salaries. On Al Spring, the Council before had talked about raising his wages from \$8.00 to \$10.00. Council lowered this amount from the \$10.00 down to \$9.00 per hour. Snow help was left at \$10.00 per hour.

Parks and Recreation. Mayor stated he has had conversations with people about the problems we have had at the park and at this time he is leaning towards not putting the lifeguards in. TeHennepe stated there has been a lot of talk with the Task Board about guards, and they feel that if the public sees the City is on board by keeping guards it may spark more interest. There is also the concern of safety. If it works in the budget, she would like to keep it in. D. Anderson stated to take the guards out for this next year and see if there are any kids coming up that may be interested. TeHennepe asked to keep it in for now and may have to cut it later. Sutherland could see it both ways, to keep or not to keep.

Economic Development - County Economic Developer Al Rasmussen will be attending the September Council meeting.

City Hall Budget – Clerk stated that she had spoken with Lee Skunes on the Senior Center. They were very appreciative of all the funds that the City and Public Utilities have put in towards the utility bills. It has really given the whole group a boost. The extra \$1,000 towards the utility bills may not be needed. City Hall budget was lowered by \$1,000.

Mayor brought up discussion on the Police Department. He personally does not feel that 2 car leases are needed. TeHennepe stated one car for sure is needed. Sutherland stated that the present cars will nickel and dime the City because they need repairs and there will be \$6,000 more in use with the cut in the contract. TeHennepe stated to keep in one car but keep some money in there to put towards a second if really needed. Sutherland asked about putting the \$6,000 in a fund for a future car. Mayor asked to keep in the \$14,500 or go to \$7,250. Sutherland stated in case of contracting, should go to one car. TeHennepe stated that if the car fund is being dropped, then the repairs and maintenance should be raised up by \$2,500.

Clerk explained some changes in the area of proposed revenues. One change will be in the amount received on the interest earned. It will be lower being funds are being spent on the purchase of a truck and low interest rates. Also, after going through the park receipts for the past two years, this should be lowered by \$2,000.

Clerk explained the levy which she had figured up, is about a 5% increase over 2007.

TeHennepe discussed options on whether to work on the health insurance benefit or wages. Clerk explained that the BCBS Insurance Agent is looking into some options for the employee's health insurance. TeHennepe would like to see the Council have a planning session on the structure of wages and benefits for all the employees.

Sutherland asked about the beautification budget. Clerk was asked to figure up the wages and subtract those out and let Crystal Schmitz know how much she has to spend for next year.

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

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
SEPTEMBER 11, 2007

The Bagley City Council met in regular session on September 11, 2007 at 7 p.m. in the City Council Chambers. Present were Mayor LuWayne Loiland, Council Members John Sutherland, Karen TeHennepe, David G. Anderson, Mark Edevold, and Clerk Treasurer Colleen R. Lindgren.

Also present were Marc and Erik Lindgren, Jill Torgerson, Emma Tharaldson, Charlotte Stavig, Phyllis Bauman, Lynn & Carol Anderson, Brandon Simpson, Steven Pemble, Keith Kubiak, Al Rasmussen, Arnie Teige, Lind Schmidt, Howard Moore, Frank Beaver, Ed Rasmussen, Darin Halverson, and Ken Moen.

Motion was made by D. Anderson to approve the minutes of the previous meetings. Seconded by Sutherland, passed unanimously.

Steve Pemble, WSN Engineer for the 2007 Street Project, was present to bring Pay Estimate #1 for Council approval. A report on the project was given. Motion was made by Edevold to approve payment of Pay Estimate #1 to Christianson Developers in the amount of \$178,668.11. Seconded by Sutherland, passed unanimously.

Motion was made by Edevold to pay 3 other bills on the project: Bemidji Bituminous Inc. \$16,302.50; RMB Environmental Laboratories, Inc.-\$105.00; and Beer, Inc.- \$24,740.00. Seconded by TeHennepe, passed unanimously.

Zoning Administrator Howard Moore brought before the Council a request put in by Brandon Simpson for a Conditional Use permit and to change the zoning from B-1 to I-1. The Zoning Board has held a public hearing and approved the requests. The Board is now asking that the Council also approve the requests of Simpson's. Motion was made by Sutherland to open up discussion on the matter. Seconded by Edevold, passed unanimously. Mayor Loiland asked for discussion from the people present. Charlotte Stavig stated she does not want to see slaughtering cattle in the town, and can't see that it would do the City any good. A meat market yes, but not this. There is an Industrial Park, which is zoned to be doing this in. There is a residential area across the street. There will be cattle trucks coming in with manure and liquids are not clean. There is no black top, just dirt, which will be a dust problem. Keith Kubiak who will be a neighbor and competitor. He welcomes that. At the public hearing there were other towns brought up. He called them and they do not slaughter on site. Kubiak is concerned about the smell, because he will be having outside seating at his store where people can eat their lunch. Kubiak asked when the bi-products would be hauled. Simpson stated that they are hauled on Wednesday and Friday at about 10 a.m. The truck will back up right to the door. Kubiak again stated a concern on smell from the truck and smell from the trucks unloading animals. It is also not mandated to keep venison and wildlife in coolers. Also when it comes to the blood, there will be 12,000 gallons taking a half hour to unload the tank and there is a potential smell there. An animal could get out during unloading. Kubiak does not want to sit outside and smell this while eating. He has no concern with a meat market but if people are outside eating and smell this, it is going to hurt his business. He wants some guarantees that there will be no smells. If the Council approves it, there is no recourse.

Melody Grabill asked about when it is 30 below and the doors are frozen shut and the animal is outside waiting to be brought in. This is the people's home area, not their jobs. What about the possibility of airborne disease. She is concerned about this and wants to know the facts.

Linda Schmidt stated that when she bought her home the area it was going to be the revitalization of that whole section of town. It is zoned for homeowners. She does not want to sit outside on her deck and have this smell. The City is putting in money for roads in her housing area. People will not buy houses in the area with a slaughterhouse near.

Phyllis Baumann stated she would never buy a house across from a slaughterhouse. Why are you putting the people in harms way and why is he moving into town?

Simpson stated that the location is the big thing and he wants to be along Highway 2.

Stavig stated that people at first thought this was going to be a meat market not a slaughterhouse.

Keith Baumann stated that it should be located next to the livestock barns.

Mayor Loiland stated that there is a process to go through and the Council is put in a position to make a call on this. There are people in favor.

More discussion was held on airborne disease, privacy fences, smells, slaughtering and support for and against the project.

Mayor Loiland asked Simpson if he would slaughter on the farm if it got to be a problem. Simpson stated that it may not be allowed by the state to slaughter on the farm and then transfer the animal.

Discussion was held again on use of the Industrial Park which is already zoned for such, will the ground be tarred or concrete around the building, guarantees of animals not getting out, speed limits in the area,

Scott Grabill discussed the area on valuation of property. Potential buyers may not like seeing cattle trucks hauling in animals in for slaughter.

Zoning Administrator Moore stated that Simpson could add a couple things. Blacktop or cement could be put in to the east before the animals are brought in would help with the dust control. A 6-foot privacy fence in the area of unloading to contain the trailer and the vehicle would help also. After 1 year the front area of the building could be blacktopped. These stipulations could be put on the project. Mayor Loiland stated these expenses may not be in his business plan and would raise his dollar amounts. Moore stated these stipulations should be on the permits or he can't do anything about enforcing it. Simpson stated that he did not know if there is enough room for this fence. The back of the trailer will be in the building. Moore asked if this would be OK with the residents if a fence is put in and cement and tar put in.

After more discussion, Mayor Loiland asked for a motion by the Council. Sutherland asked if Simpson wants the Hwy 2 location for local traffic or for other. Simpson stated for both. Edevold stated that this is an extremely difficult decision and the City needs to develop business, but unfortunately his motion is to deny the requests. Seconded by Sutherland. Mayor asked for discussion. Sutherland stated he has concerns about an animal getting out when there are children around and with Hwy. 2 being right there. Mayor Loiland stated that this could happen anywhere, whether in the city or in the country. TeHennepe goes back to the potential of the area, and people buying to put homes in the area, plus no guarantees. Sutherland stated that it is not that he does not want to see him thrive in the business but it is not the right location. Edevold agreed. It would be a different story if he was already located in the City. He is the first to admit that they could be wrong but can't be guaranteed anything. This is not a permanent thing and he could come back to the City again. Mayor asked for a vote on the motion to deny the project. For: Sutherland, Edevold, and TeHennepe. Abstain: D. Anderson. Opposed: Loiland. Motion carried.

Lynn & Carol Anderson were present to discuss what they believe is an established cartway located behind their home located in the City. Attorney Rasmussen asked if he could have the floor. Rasmussen handed out a map of the area. He stated that he has talked to both parties concerned and has given them both the same advice. L. Anderson stated that the problem comes from that they were in the township and there was never an easement or established alley put on the plat. Rasmussen explained the map and an old driveway that leads to the established alley further down. Torgersons want to block the driveway so they don't have people driving on their yard. Andersons don't want the driveway blocked so they can get access to a garage they are building. He had told Mr. Torgerson that if he closes off a road that has been used for a long time he may have court problems. Because after long continued use, a person has a right to use the driveway. Anderson's went to an Attorney and their Attorney said to go to the Councils. As the Councils Attorney, Rasmussen stated it is not the Councils problem to decide this. This is no established cartway, and you have no authority to close

anything. It is a matter for District Court and the Council has no jurisdiction over it. Emma Tharalson stated that the other end of it has been closed off by Lief Haugen. Carol Anderson stated that all the utilities for those houses are in the alleyway. Rasmussen stated again it must go through a court of law. When the alley was platted there was no connection. If the Public Utilities need it, the City may get into it also.

Rasmussen also stated that he has gotten a deed from Cliff Kastners Attorney on the property in the Kastner Addition that the City is taking over. Council asked Rasmussen to hold off on it until the area is cleaned up by Kastner.

L. Anderson told Rasmussen and the Council that his Attorney in Fosston said it was up to the City Council and they don't have to go to court. Rasmussen stated he is wrong and if he has a problem with that he can call Rasmussen. Anderson stated Rasmussen told him it was an established cartway.

County Economic Developer Al Rasmussen was present to give information to the Council on what he has been working on the past few months. He reported that the CEDO budget did not charge anyone for 2007 but for 2008 they are looking at a budget of \$40,000 with the County funding \$20,000. Fee schedule for the County towns is unknown at this time.

Clerk went over three quotes for remodeling of the liquor store. Quotes received were from Dennis Lee, Abraham Construction and Marc Lindgren Construction. Ken Moen stated he does not feel there was much time to do anything. A short slide presentation was given by Lindgren. Moen stated that it leaks on the east side of the back room. Edevold would like to see a place found where a new one can be built. He feels they have gotten a good idea on doing some cosmetic changes. \$60,000 is still covering an old, old cruddy building. Loiland stated to modify the amount from \$60,000 to \$38,000 to \$60,000. Edevold would go more for the \$60,000. Moen feels that where they are at now is a good location. Back room is the big issue. With the added addition on the back, it would fix some of the inside issues also. Mayor stated that Moen needs more storage area. A new roof would give him more room. He feels all the quotes are the same thing. Edevold disagreed. Moen feels the quotes should be looked at more. He feels that if the roof were to come on in the middle you would still have the same problem. Putting on a whole new roof, as Lindgren explained would be good. He does not feel there would be any down time. D. Anderson stated that obviously something needs to be done. Edevold would like to see more parking and more space. Moen did not feel that parking was an issue except maybe three times a year. Moen asked if the Council wants to look at the plans and wait until spring to remodel. Edevold asked that the matter be tabled until a committee could look at the plans and bring information to the Council at the October Council meeting. Edevold and Sutherland will be on the committee.

Moen asked permission to attend the Annual MN Beverage Association meeting being held on October 16th in Frazee. Cost is \$15.00. Motion was made by Edevold to allow the training and expenses. Seconded by TeHennepe, passed unanimously.

Police Department-Chief Darin Halvorson. Chief stated that part-time Officer Andy Anderson has been hired by the County and he would like to advertise the position. Sutherland made the motion to allow the position to be advertised. Seconded by TeHennepe, passed unanimously.

Halvorson stated that the Police Dept. budget has an addition \$2,000 in it from selling the old squad cars and he would like to purchase two tazors for \$700. These are ones that the County has and would sell to the City. Edevold made the motion to approve this purchase. Seconded by D. Anderson, passed unanimously.

As far as the squad car issue, he would like to use the \$1,300 to fix up the older squad, which will be kept next year. It also needs to be painted. Edevold asked that Halvorson get quotes and bring back to the next Council meeting. D. Anderson asked about the \$14,500 put into for squad cars. Halvorson stated that the \$14,500 was for one car and an explorer. He recommended that if the Council does not want to do that, go to a 3-year lease of \$9,000 instead of a 4-year lease. This way after two years, the vehicles could be re-evaluated to see what was needed. He figures there is no way both cars will make it 3-years. He asked that the Capital Outlay be raised to \$9,000.

Roads & Bridges. Teige reported that the crack filling work at the Airport is finished. He feels that the Pitch Black Company did a real good job. The Beacon is not in yet but will be shortly. Spring has quit watering the flowers as of today.

Public Utilities: Frank Beaver. Beaver reported on the recent power outage. Duane Lewis project is moving ahead. Substation should be on line this fall. Streetlights around the American Legion will be worked on. He has been looking into a sewer and water expansion for the Industrial Park.

City Hall: Colleen Lindgren. Lindgren read a Thank You card from Triangle Sales & Service, thanking the Council and Mayor for getting the lot across from them cleaned up. Clerk reminded the Council of the special meeting for Sept. 13 at 6:30 p.m. with David Drown and Alan Potvin, working on a TIF District. Clerk reported on the recent BIDD meeting. The Board had met to speak about extending the sewer and water. There is about \$60,000 left in bonding funds, which could be used for this. There are three ways to use these funds. 1) Expand in the Industrial Park. 2) Use the funds on another City project, but Special Assessments must also be done. 3) Buy down the project debt. The BIDD did give their approval for the Council to use the funds to do more work in the Industrial Park. Edevold asked if Gary Cater wants water and sewer. He hates to put money in there when there are no customers to be serving. Mayor Loiland asked how the City will get customers if there are no facilities. Edevold stated the City could build to suite. Mayor Loiland stated that maybe roads should not have been put in either. Edevold stated that the roads were done without the utilities so that the area is set up, but until you know what kind of customers you are going to have, you won't know what they need. Mayor Loiland stated that you are not going to know before hand. Edevold stated you might get a customer who wants a 10-inch line. Edevold stated that if Cater is not asking for utilities, why put it in. If he wants it, then the utilities can be put in. Loiland asked Beaver to call Cater to see if he wants it. Mayor Loiland asked if right now, is the Council denying BIDD's request. Edevold stated that the Utilities Board recommended not to do the work. The BIDD does not control the dollars; the City Council does because it is bonding funds.

Arnie Teige stated that there is one thing that Steve Pemble did not report on in the Industrial Park. There is a wash out at the pond that needs to be repaired. Edevold asked if this is something that could be taken out of the bonding funds. Clerk will check on this. Motion was made by Edevold to have Teige secure what he needs to get the job done. Seconded by TeHennepe, passed unanimously.

Discussion was held on the 2008 Budget and the 2008 Levy. Edevold stated that the levy rate could go below 0% raise if the bonding dollars were used to pay down the debt of the bond. This could be a decision made in December.

Teige stated that at the last budget he had an amount on the trucks, which did not include sales tax and two other items that the truck needs. This brings up the amount from \$108,000 to \$126,000. Adding this in would bring the truck account to \$14,000.

Motion was made by Edevold to extend the meeting by 20 minutes. Seconded by D. Anderson, passed unanimously.

Motion was made by Edevold to pass the 2008 Proposed Budget. Seconded by D. Anderson, passed unanimously.

Motion was made by Edevold to Certify a Proposed Levy for 2008 of \$481,496.71 to the County Auditor. Seconded by TeHennepe, passed unanimously.

Motion was made by Edevold to set the City Truth In Taxation Public Hearing for December 10th and the Continuation Hearing for December 17th at 7 p.m. Seconded by D. Anderson, passed unanimously.

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

Committee Reports: Public Safety. Police Sergeant Larry Peterson asked if the Council would consider running the union contract for 1-½ years so it doesn't run into budgets. This will be brought up during negotiations.

Buildings/Transportation: D. Anderson. T.H.E. Bus has been very sporadic in use. Summer Rec used it a lot. Hopefully school time will help.

Parks & Recreation. TeHennepe reported that there will be a Public Meeting on October 8th with the Park Project. Any written comments are welcome. Clerk stated the wages that the Fosston pool pays their guards and how many guards they have hired. Training will be going on in March for Life Guards.

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

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
SEPTEMBER 13, 2007

The Bagley City Council met in special session on September 13, 2007 at 6:30 p.m. in the City Council Chambers.

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

Also present were David Drown, Cheryl Grover, Allen Potvin, and Tom Kooiman.

David Drown, Drown & Associates, explained the complexities of Tax Increment Financing. TIF is an Economic Development financing tool. It is used subsidize development. County Assessor sees the building is being build, comes to appraise it, and down the road the property tax bill is changed. This is divided among the City, County, and School. When TIF is used, everything is done as before except the taxes would be put in an account for TIF dollars. These dollars eventually end up being given back to the landowner and used to buy down to subsidize a development. TIF Districts require real estate construction, which requires real estate improvements, which are taxed. The City, County, and school still get the same taxes, but it freezes the taxes on that property.

TIF can be used for many things, the main one being Housing Districts. This is to promote housing and must meet moderate-income level residents.

TIF can be used to subsidize a project. Future TIF funds will pay off the project. It will rebate 90% back to developers to pay off his loan. This is known as "Pay As You Go." Mayor asked if any properties qualify for a district, such as Residential, Commercial, Industrial, anything? Drown stated that usually 98 times out of 100 of all projects would qualify. General speaking, TIF can be used for a wide variety of projects. If something goes wrong, we don't get the money, as the developer does not pay the taxes. TIF is based on the assessed property value.

Drown asked that the Council remember that TIF is good for property taxes only, and nothing is taken off the tax roles. The City would be foolish to grant TIF assistant to a project that does not need it.

If the Potvin wants to use TIF, and with the Councils approval, Drown would get all the business plans from Potvin, put it together in a TIF plan and give it to Grover, the County Assessor. Mayor Loiland asked typically how many years does a District go? Drown stated that a normal District goes from 10 to 15 years. About 90% of the Districts he does or sees are in this area. Edevold asked Drown about the 90%/10% item. 90% of the tax is used to buy down the loans, which means they can only be spent on costs that are written down in the district plan. The 10% is the amount the City can use on things such as Administrative costs, which are discussed in the plan. The City uses the expenses directly related to the project. The dollars cannot be retained. Road and utility costs can be paid for in the effected housing project.

Steps are done as follows: 1) write a TIF Plan – which identifies the project, rational, budget, etc. 2) provide this plan to the County and School District 30 days before the Public Hearing. 3) have the Public Hearing. After the Mayor closes the Hearing, the Council meets and does a Resolution to establish the District. The Council does not need the approval of the County or the School District. The District is completely controlled by the Council.

Edevold asked if additional property could be put in the district. Do the property owners need to approve the District? Drown stated that yes, additional property can be put in the District, but you cannot put housing and commercial all together. Property owners do not need to give permission to set the District. More than one property area can be put in the TIF District. Property owners do not have to use the TIF District if they don't want. Drown stated that a TIF District can be set up, and if an agreement is not reached with the developer, the Council does not have to give them TIF.

Discussion was held with Potvin on what he is looking for from the City and also about the Assisted Living Home he is proposing to build. He will be working with Clearwater County on GRH Plans. He will be negotiating with them about 2 to 3 months before the doors open. He will be getting a feel on the project from the Human Services Department.

Mayor Loiland asked if there were any other programs besides TIF? Drown stated there is tax abatement. This is where the Council can only speak for the dollars on their share on the property taxes. Limit is 15 years. Abatement is only about 40% as powerful.

Potvin stated that Clearwater County is a poor county. He assumes that he will have more welfare people in the facility than people who pay on their own. He would like the longest TIF District he can get due to this. He feels he cannot move forward without TIF.

Edevold asked if it makes since to do a larger district. Drown stated that the City can expand the District or start out with a big one. If the Council does a big district they would have only one fee. If another district is set up, then the Council must pay another fee.

Potvin stated that the County has accepted his offer to purchase Greensview Nursing Home as of January 1, 2008. Could this be put in the District? Drown stated that being there is no building on the project, there would be no increase in taxes. This would not generate anything for a TIF District. TIF is only done in terms of expansion. Potvin stated that he plans to build on in 3 to 4 years.

Drown stated that there needs to be an agreement for Development and Agreement for the TIF District. The Council should expect Potvin to cover costs for these if he does not go through with the project. Potvin stated that he does not believe the City should pay for it, but if he doesn't go with the District he will pay the costs back to the City in the way of a donation. He had wanted to be opened by July 1st but due to the State denying his request for JOBZ, he was unable to start anything.

Drown stated that the first step is for the City to Authorize the set up of a TIF Plan and to set up a Public Hearing. It takes about 2 months to go through the process. Drown suggested that the Council set the Hearing for their regular November 13th Council meeting. Mean time the Council should get together to see what areas they want in a TIF District. Council must also decide if they want to go with the "Pay As You Go" plan. Motion was made by TeHennepe to approve Resolution #29-07 RESOLUTION CALLING FOR A PUBLIC HEARING ON THE CREATION OF MUNICIPAL DEVELOPMENT DISTRICT NO. 2 AND THE ADOPTION OF THE DEVELOPMENT PROGRAM RELATING THERETO, AND TAX INCREMENT FINANCING DISTRICT NO. 2-1 AND THE ADOPTION OF TAX INCREMENT FINANCE PLAN RELATING THERETO. Seconded by M. Edevold, passed unanimously.

Standard fee for Drown & Associates is \$5,000 with a cap of \$5,500. Drown could have a draft of the plan here in a few weeks. He will need parcel numbers for the areas Council is looking at. The plans will need to be sent to the County and School 30 days before the Public Hearing. Drown stated that it is not wise to go too far on a District.

Potvin, Kooiman and Drown left the meeting at this time.

Council held further discussion on what areas to look at putting in the TIF District. One would be the area where Potvin is proposing to build; second one would be around the DAC/Greensview/Villages property. Also lots in the Kastner Division will be looked at.

Clerk was instructed to ask Drown if a hotel/motel in a residential area would qualify in a housing district. Clerk will make a map of the areas the Council is thinking of and get this to the Council for approval and then get the information to Drown.

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

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

CITY COUNCIL PROCEEDINGS
SEPTEMBER 24, 1007

The Bagley City Council met in special session on September 24, 2007 at 6:30 p.m. at the Bagley City Council Chambers.

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

Also present were Duane Lewis, Curt Meyer and Frank Beaver.

Meeting was called to discuss the road construction project which Duane Lewis has going on the north end of the City.

Clerk explained that she did not make up an agenda for the meeting being this is the only subject to discuss. Lewis had brought into her today two quotes to do blacktopping on his project. She explained to him that the quotes were not accepted yet by the Council, as she had been waiting to get them from Lewis. Lewis stated that they were ready to do curb and gutter and would be starting on Thursday. There were also questions on the roadway and the utilities so everyone needs to get on the same line. Duane Lewis explained that he had at first thought that the Public Utilities and Frank Beaver had stated that he did not need engineered drawings. What happened is that the sewer and water lines did not work out that he had constructed. That is when he went to WSN Engineer Curt Meyer. Meyer pointed out that Lewis needed permits to hookup to City sewer and water. Lewis thought he could get by with 6-inch pipe but by state code he needed to go to 8 inch, which he has done. All sewer and water is in. He thought he only had to bring in the quotes and did not realize that the Council had to approve it.

Lewis also went over the plat, which needs to be changed. The Outlot was only 24 feet. The blacktop is 24 feet with a two-foot curb on each side, which would make it 28 feet. He would like to see the 10 feet utilities easement moved. Beaver stated that the water and sewer are in the street. Electricity comes down the back. Lewis stated that everything is stubbed back to the utility easements. Sutherland asked who is doing the inspections. Beaver stated that Danielson is there quite a bit and he goes by there every day to make sure things are being followed correctly.

Curt Meyer stated there are two things that Lewis has asked his office to do. One is to make a plan sheet so that he can submit it for the Health Dept. permit and the sewer extension permit so the utilities are legal. First question is, are the utilities going to be private or are they going to belong to the City. Second question is the street going to be owned by the City when it is completed or is it going to be a private drive. As far as the platting is done, if the City is going to own it the utilities will be eight feet on the back. Will the City want a minimum right of way? Mayor Loiland stated that the Council has already decided they would be owning the street. As for utilities, the utilities would be coming back to the City, and designed according to City specs.

Lewis stated it needed to be talked about because he did not have enough grade with the 6-inch pipe and if it came down to it he would put in a lift station. He spoke with Frank Beaver and Beaver told him he would rather not have a lift station. Lewis stated he would have responsibility for the sewer and water if he had to put a lift station in, and the city would still get the street. He does not have to put in a lift station. Meyer would like to see at least 5 feet behind the curb & gutter, and Lewis still wants to put the eight feet.

Meyer stated another thing he would like to see is a minimum 3-inch mat and a 6-inch aggregate base class 5. The City should require to see the certified mix design for the project. If the City accepts the utilities, they should make a motion that is a settlement occurs or a water leak, the City should not be responsible for any repair costs or reconstruction of the road because of any repairs. Lewis should be responsible.

Clerk stated that the two quotes that Lewis got are as follows: Bemidji Bituminous, Inc. - \$47,000 for 1,175 feet of concrete curb & gutter, and 3 inch hot mix wear coarse.

Mark Sand & Gravel Co. – 1,175 feet curb & gutter and 3 inch hot mix wear coarse - \$63,245.00. Meyer stated that three inches is needed of bituminous. Meyer will take care of speaking with the company who gets the quote.

Meyer stated that the City should decide on who is going to pay the costs of the permits. The MPCA Permit cost is \$400.00 and MN Health Dept. permit cost is \$150.00. A lot of times the City pays for these permits or they can make the contractor pay for them.

Lewis asked what was needed from WSN for the road profile. Beaver stated he wants to know where the pipes are for their records. Meyer stated they can take enough shots to do a center profile; MN Dept. of Health wants to see this. The company that is doing the curbs wants to see elevations for their work. Meyer will get as built to the City. When the tar is being put in, Street Superintendent Teige will be asked to watch over this.

Frank Beaver brought up the fact of streetlights. He has four or five replacements coming for the area around the American Legion so there will be some used ones from that area that could be put into the Lewis project. Beaver will work on this.

Motion was made by Sutherland to accept the change of Outlet A width from 24 feet to 44 feet on the plat. Seconded by TeHennepe, passed unanimously.

Motion was made by D. Anderson to have the City pay for the permits to MPCA and the MN Health Dept. Seconded by Sutherland, passed unanimously.

Motion was made by TeHennepe that during construction of the road, Lewis is responsible for all repairs needed to the road, up until the ware course is put on the road and finished. Seconded by D. Anderson, passed unanimously.

Motion was made by TeHennepe to accept the quote of Bemidji Bituminous, Inc. of \$47,000; as long as it contains a three-inch base and the certified mix design is received. Seconded by Sutherland, passed unanimously.

Meyer will get the as built to Beaver for City records.

Meyer asked to speak with the Council on the 2007 Street Project along Spencer Ave. The rain has set them back but curb will be started late this week. This will take 1 to 2 days. Base coat to go on late next week. Meyer does not want the paving done if it gets too cold. There are three issues they are dealing with. 1) On Willborg Ave. there is a asbestos water main and it is up very high. They looked at whether or not it was worth pulling it out or insulating it. It was cheaper to insulate it. This may be an additional charge. 2) The home owned by Linda Schmidt had sodding done which went into the right-of-way. She has said she would not be happy with just seed, she wants it re-sodded. It is the Councils decision on what to do. New sod will cost around \$800. D. Anderson stated that he thinks it should be put back the way it was. Sutherland agreed. Meyer will bring a change order to the Council for further discussion and their decision. 3) Meyer is arguing with MN DOT on the accesses to Hwy 2. Permits for the approaches have been approved. DOT want to see it match the existing highway specs, with a 6" mat and a 14" base and they want the mix to match the Hwy. 2 mix of "Super Pave". No one in the area is doing a Super Pave mix. The mix plant would need to be shut down for a day to get this mix. Cost to do those approaches at this time is \$5,000, but with the Super Pave Mix it would cost more around \$24,000. Meyer will be speaking further with MN DOT and bring to the Council at their Oct. 9th meeting.

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

LuWayne Loiland, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

*Note. Councilman Edevold asked the following statement be added: “This was an improperly noticed meeting. Reference October 5th meeting minutes for clarification.”

CITY COUNCIL PROCEEDINGS
OCTOBER 5, 2007

The Bagley City Council met in special session on October 5, 2007 at 5 p.m. in the City Council Chambers.

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

Vice-Mayor John Sutherland brought the meeting to order.

Edevold started off the meeting stating he feels this is an important meeting to be held and he was the main instigator for it. He stated he felt the Council meeting held on Monday September 26th was inappropriate and did not warrant an "Emergency Meeting". The meeting being held today is legal being certified notices were mailed to all members, media and was posted.

Clerk Lindgren explained how the meeting came about. That day Duane Lewis had brought her in quotes for the blacktopping and curb and gutter, which he stated they would be starting on Thursday. She told him that the Council had not accepted the quotes, which she has been asking him for them for a long time. Lewis stated that the Mayor had told him it was a done deal, to go ahead and get the blacktopping done. Clerk told him she would see what she could do. The Council had approved to participate in his project but had not seen the quotes as of yet. Lindgren spoke with WSN Engineer Curt Meyer. He had questions on the road, the utilities under the road, easements, and permits. Lindgren then spoke to Mayor Loiland on the above and he stated he did feel it was all done and approved. Clerk stated that the Council had approved to participate but had not approved the acceptance of quotes for the blacktopping, and she also told him Meyer's concerns. Mayor Loiland told her to do what it took to get the work done because it was coming to the end of the season. She stated it would be Thursday before a special meeting could be called or they could probably do an Emergency Meeting. Mayor agreed with this. Clerk called all Council Members and posted the meeting for 6:30 p.m. that night.

TeHennepe stated there was more to the meeting than just the roadwork. She felt the meeting should be called because there were issues that needed to be resolved. Edevold agreed there were issues, but they should have been looked at further. He had a deep concern on the quotes for the blacktopping. The low quote of Bemidji Bituminous, \$47,000, should also have a contingency on it, which would bring it over the \$50,000 amount, which then the City should bid out. The other bid from Mark Sand & Gravel was \$63,245.00. Neither of the quotes is made out to the City, both are made out to ALT Properties (Duane Lewis). Edevold stated that the quote from Mark Sand & Gravel is not signed or dated so it is not a viable quote. Other companies could come to the City and ask why they did not get to bid. Council does not have a motion or action looking for quotes on the project. Edevold feels the Council needs to tighten up the process of the competitive bidding and he also feels this project should be stopped. TeHennepe stated that ignorance is not an excuse. Edevold would like to see the blacktopping rebid in the spring. TeHennepe stated that the price may change in the spring and she would like to see it done now. Edevold feels it might be too late for blacktopping. D. Anderson stated that the Council does not want to punish Lewis for what has happened. Edevold does not feel it will hurt Lewis at all. The one thing that jumped out at D. Anderson is the difference in the blacktopping quotes. Edevold stated that he feels there may be a conflict of interest in the project. TeHennepe said it is a lesson to be learned. It was good to have Meyer come in to tell them what has not been gotten yet. Edevold would like to see the road sit until next year in case of settlement. He feels there is no harm to wait and he is deeply concerned on the quote process. Edevold handed out a sheet on a proposed motion for everyone to read. Anderson asked if Bemidji Bituminous could still come back and bid again. Edevold stated that they could and that the City should pay them for the work done on the curb and gutter. Edevold made the following motion: It is the position of the Bagley City Council that work being performed, or intended to be performed, by Bemidji Bituminous, Inc % Todd Nelson on the ALT properties project within the city limits of Bagley is being done so without a contract, or under a contract that is void, because of

violation of MN Stat. 471.345 Subd. 3 and/or MN Stat. 471.345 Subd. 4 and MN Stat. 412.311 among other possible violations.

Any contract, implied, written or otherwise, with Bemidji Bituminous, Inc. is void and not legally enforceable. Therefore, Bemidji Bituminous, Inc. is ordered to immediately cease and desist any work for which payment is expected from the City of Bagley.

Furthermore, the Bagley City Council recognizes that the City is liable for the real benefit received by the city, even if the contract is void, as long as the contract was entered into in good faith.

Bemidji bituminous shall submit a request to the city for payment for materials and services of real value to the city. Said request must be itemized, and supported with verifiable documentation, to include, but not limited to, invoices, payroll records, and 1099s. Request for payment will be subject to review and audit by the City of Bagley or its designee.

Upon determination that the contract was entered into fairly and that the request for payment reflects the real value to the City of Bagley for services and materials provided by Bemidji Bituminous, Inc., the City of Bagley, by future Council action, will reimburse Bemidji Bituminous, Inc. as appropriate.

Furthermore, because there is no harm to ALT Properties in putting off completion of the street, and considering it is a benefit to the City to allow the fill to settle over winter-insuring no damage to sewer or other utilities-the City of Bagley will take the time to prepare proper bid documents, and any other actions that might be necessary, with the intent of project completion in 2008.

Furthermore, in previous actions the Bagley City Council has determined that it will be a matter of policy for the City to share the costs in new development of streets and utilities at a rate of 25% of the project cost. The City of Bagley, by previous action, affirmed that the City would follow that policy with regard to ALT Properties. Thus, ALT Properties %Duane Lewis shall submit sufficient documentation to establish what the total cost of street and utility development is for the ALT Properties project. The documentation shall be sufficiently detailed and itemized to insure only cost associated with street and city utility development are included. In future action the Council will determine the amount of its obligation is under the 25% policy and whether adjustments are warranted.

Anderson seconded motion. Vice-Mayor Sutherland called for discussion. TeHennepe stated she is uncomfortable with the motion. She agrees that it should be stopped but she would like to see legal council on what is being done. She also had concerns on the difference in prices. Sutherland called for the vote. For: Edevold, Anderson, TeHennepe, Sutherland. Against: none. Motion carried.

Edevold asked for discussion on other issues going on in the City. He feels there is a conflict of interest with the Mayors involvement with a proposed Cell Phone tower. Mayor should be looking out for the best interest of the City and only the City. If it is proven there is a conflict of interest, it is a crime. It is clearly a problem if the Mayor or Council Members take action on zoning and it is bettering themselves. Anderson stated that the Zoning Board was told all options for the tower had been looked into and they had not been. Sutherland stated he had not heard anything on the tower until it came up at the Council meeting. TeHennepe stated it is the best interest for the City that all realize it is wrong to work on something that would better themselves. Anderson stated that this kind of thing was gone over at the League of MN Cities meetings and that at the Zoning Public Hearing the subject of Conflict of Interest was not spoken of except for an anonymous note on the matter. No Member or the Mayor should be talking on behalf of the whole Council before things are discussed.

Conflict of interest was discussed and Edevold stated that there are questions being raised by the Public. Does he know for a fact that there is conflict of interest with the Mayor? No, but he feels there is a high likely hood. Doing something for a personal gain is illegal and just having a personal interest can also be a conflict whether it is direct or indirect. Public Officials need to be very watchful on what they do and say. Clerk was asked to explain the situation on the City Hall roof repair. TeHennepe stated that in the rules it stated that direction is to be made by the Council as a whole, not just one member.

Edevold feels that the boundaries have been stepped over by the Mayor. His interpretation of the League rules is to discuss all matters and one person cannot take action by themselves. In actuality the Council cannot take any action but in talking to the

League of MN Cities, they stated if the Council feels they need to move forward, it should go to the Attorney General. The Attorney General would then probably send it to the City Attorney. Sutherland agreed with Edevold. TeHennepes opinion is that the issues have been addressed, and she would like to see where it goes before acting. Would like to see more proof first but there is enough to question. Anderson would like to hear the Mayor explain his actions. TeHennepe stated it is for the benefit of having a five-member council working together and not make any waves. Edevold stated it would be very improper of the Council Members to go out asking questions and investigating.

TeHennepe stated that as far as the next step is concerned, the Council has addressed the issues and made public what they feel and give it some time. Mayor did receive a certified letter and he knows this is what is being discussed tonight.

Edevold stated that what he understands from the League is that the only recourse is for the public or the Council to complain to the Attorney General. It is not appropriate at this time to do anything.

Council directed the Clerk to call Bemidji Bituminous %Todd Nelson, to inform him that an order to cease and desist will be coming by letter from the City Council. A copy of the motion made by Edevold will be included. Edevold stated he does not feel it is appropriate for any of them to have the conversation with Bemidji Bituminous.

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

John Sutherland, Vice-Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer

BAGLEY CITY COUNCIL PROCEEDINGS
OCTOBER 16, 2007

The Bagley City Council met in special session on October 16, 2007 at 7 a.m. in the City Council Chambers.

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

Also present: Tom Burford, Al Rasmussen, Duane & Laurie Lewis, City Attorney Ed Rasmussen, Darren Laesch, and Todd Nelson.

Meeting was called to discuss the Duane Lewis project.

City Attorney Ed Rasmussen informed the Council that a clarification of what has been done is needed. He received a letter from an Attorney representing Bemidji Bituminous who are very unhappy with the cancellation of the contract. Instead of rehashing stuff, Rasmussen would like to see the Council move forward. There has been a misunderstanding of what the 25% of the project meant. Does it mean that the City would put in the curb and gutter? If so, then the City should be the contractor. Does it mean that Lewis would pay for everything and the City participate 25%? You can read the minutes both ways. Rasmussen thinks the intent was for the City to do the curb and gutter and the bituminous. Council agreed. That being the case, then the City would have to do the contracting and the bids must come to the City. Lewis obtained the bids. Mayor Loiland stated that it was the Council's fault that the bids did not come directly to the City.

Rasmussen asked if there were any quotes to the City now? Mayor stated there were two. Quotes were asked for from four different companies by Street Superintendent Teige and Engineer Meyer, which included two options. Option 1 is to complete the job by November 1 and option 2 was to do the non-wearing course by November 1 and the bituminous wear course between June 1, 2008 and July 1, 2008.

Northstar Materials – Option 1 - \$19,283.80

Option 2 - \$20,024.70

Bemidji Bituminous, Inc. – Option 1 - \$30,156.24

Option 2 - \$30,156.24

Lewis explained why he did not bring forth his original quote from Northstar Materials. When he started the project back in January, he got a quote from them, for the exact same project, in the amount of \$65,600. He did not submit Northstar's second bid, because when Lewis questioned him on the drop of twenty some thousand, the man he asked did not know why there was a difference. Lewis felt like Northstar may have been trying to get under Nelson's work. Lewis stated that as a general contractor, he is going to take the best contractor that he thinks is there. Being there was such a difference; there was something different being done between Northstar's two quotes. That is obvious. Edevold stated that the issue is, who was going to hold the contract. Lewis said he should have been told that the City was going to get the contracts. Nothing was ever set in stone. He was going to pay 25% and the rest would be assessed. Later it was discussed with either the Mayor or the Council that the City would pay for the streets, curb & gutter, and he would pay for the water, sewer and all the utilities going in. Rasmussen asked if Lewis wants the road done this fall. Lewis stated he does. Mayor Loiland stated a clarification was needed, because it was not a conversation between him and Lewis, it was in the City minutes. Lewis stated that there is nothing going on between him and the Mayor. He is not going to mess with a project because they are trying to get something between them. He has to pay it all back. Mayor stated that this needs to be fixed and move ahead. There was a misinterpretation of a motion. On September 14 there was a motion and accepted to participate up to \$47,000. At that point it still was not over the threshold of some accusations that had been made as far as \$10,000 to \$50,000. Because the State Statute states that you can do it in a verbal agreement, you can do it in good faith. Edevold stated that you need to keep in mind that yes up to \$50,000 you can do that, but after \$50,000 it is absolutely required to take bids. Mayor stated that when this was originally started the Council was very comfortable with the \$43,000 and understood it. Edevold stated very comfortable in terms of principal, he does not deny that. Mayor stated that he would like to see the Council stay at the number of \$43,000 and continue with this project, acting in good faith on what was started with.

Lewis moved ahead with the project when he had two quotes, one at \$43,000 and one at \$60,000, knowing the \$43,000 would stay there. The Council's intentions were to participate and that's the way it should stay. Edevold stated that the Council's primary intention was to participate at 25% of the total cost. The Council has nothing to show that \$47,000 is 25% of the total cost. Rasmussen stated that the point is it started out with is that the City was going to do the curb & gutter and paving. This is the City's participation and the City was going to pay for it. The procedure for letting the bid was not strictly legal because the bids did not come to the City. The City is obligated to pay for the curb and gutter in the amount of \$16,287.50.

Todd Nelson, Bemidji Bituminous, asked to speak. He stated that the low quote of Northstar Materials was received yesterday. He would like it put on the record that Councilman Edevold had a discussion with Northstar Materials about his numbers, last Thursday on the phone. So if the Council wants to call that a fair bid letting, there it is. He stated he will make it easy for the Council and withdraw his bid from any discussion because Northstar gave the Council one heck of a price. They will do it at a loss to make and verify that the lies Edevold told about him are true. He will withdraw from the bidding. He also wants it on record that Edevold talked with Northstar about his numbers and that Edevold told him that himself. Edevold stated that the more interesting part is that Nelson told him that he was aware of Northstar's numbers. Edevold agreed that he did speak to Northstar the week before. Edevold stated that he explained the \$47,000 number that was given to the City originally. Nelson said those were his numbers. Mayor Loiland stated that number increased after the City asked for a 2-foot increase in pavement. That is where it increased from the \$43,000 to the \$47,000. Edevold stated that once the numbers come to the City, it is all public information. Nelson asked why his name was brought up in the paper when he did not have a contract with the City of Bagley with this project. He explained he had a contract with Duane Lewis, not the City. Edevold said that the contract was brought to the City for the City to be expected to pay. Lewis stated he was told to bring in two quotes, which he did. This is not contracting with the City. Edevold stated that if the City is expected to pay for it, it is a contract with the City. Mayor stated that this could be hashed over more but there has been a misunderstanding, but it was never brought to the Council that the quotes should be in the City's name. Lewis stated that he has done everything that the City has wanted when asked. Mayor felt that Lewis was looking out for the City's best interests and a contractor's best interest. More discussion was held on the contract. Edevold stated that the quotes were let at an improper meeting. Lewis still stated that no one told him they had to be in the City's name and that a meeting had to be held to approve them until the Clerk told him when he brought the quotes in.

Mayor Loiland stated that for the record he called, and did talk about the October 5th meeting. The Clerk called him on Monday and stated there was a problem. Lewis brought in the quotes and the City has not accepted them. He plans on pouring curb & gutter on Thursday. The Mayor said he had stated that we need to get this done, whether in a special meeting, emergency meeting, or call it whatever you want. We need to take care of this before Thursday so we are not a roadblock. Mayor said that is exactly what he told the Clerk. So they moved forward by having the meeting that Monday night. It maybe could have been held Thursday morning but it wasn't and if it would have been held Wednesday night it still would have been an issue. Mayor stated that the City is committed to these guys and they are moving ahead with progress and the Council is just throwing out nails and tacks to degrade anything we can for them and not get something accomplished. People want to see progress and we can't do nothing right.

TeHennepe stated that she feels the Mayor is speaking for himself because there isn't one of the Council who does not want to see progress or not see Lewis's project go through. It was never the intent of the Council to do that. The whole issue goes back to the bids and as far as the City's liability obtaining those bids. If Attorney Rasmussen gives the Council the go ahead, that is great. Obviously the Council made a bad call by not communicating enough to Lewis what the requirements were. Mayor Loiland said the Council had ample time to do that. TeHennepe agreed, and the issue of the special meeting needs to be addressed because it was not an emergency, the proper steps could have been taken to notify everyone. These are the issues that need to be addressed. No one wants to see the project stopped and everyone can point fingers back and forth but it is not helping.

Rasmussen was asked for his recommendation. Attorney Rasmussen stated that his recommendation is to pay the invoice for the curb & gutter and to award the blacktopping to the low quote, which the Council has in front of them today. The whole thing is still under \$50,000. There is a prohibition against piece meal things together for awarding a bid. This is a whole job under \$50,000 and in his opinion it can be looked at as one job under \$50,000.

Edevold stated that there is an issue because Mr. Nelson has withdrawn his quote. Now there is only one. Nelson stated that for Lewis's sake, he will leave his quote in so he has two, and he won't get crucified in the paper like was done to him. TeHennepe stated that she feels the City will make amends as far as they can to cover but what was in the paper were not actual minutes of a meeting. That was press interpretation. She also told Nelson he could have a copy of those minutes when they are approved. Tom Burford stated that what was in the paper was the motion made by Edevold and passed.

Edevold stated that the motion was the second issue of the whole process, even if the \$50,000 can go one way or another on the bids. The second option is the Council has to have two quotes. Of the two presented, one was unsigned and undated, therefore unacceptable. Lewis stated he took it that way because he was the one accepting the quotes.

Attorney Rasmussen excused himself from the meeting.

Lewis asked about the special assessments. Mayor asked Rasmussen if there was a process if Lewis was to pay 100% of all costs, could the City still participate 25% of the total costs? Rasmussen stated that the problem is the City should have had a contract with Lewis and there is none. Mayor said there was no contract but it is in motion. Attorney Rasmussen said that is why he brought up the first point is that there was not going to be a contract, the Council was going to pay for the curb, gutter, and bituminous as their share. If that is the City's position, then you forget about the contract. If a contract was going to be done, it should have been done a long time ago. The City should pay for the curb, gutter, and bituminous and that is their share.

Mayor said that a recommendation was received from the City Attorney and asked if there was someone who wants to move forward with this. Motion was made by Edevold to pay for the curb and gutter to Cone Construction in the amount of \$16,287.50. Seconded by TeHennepe, passed unanimously.

Mayor asked Lewis if he still wants to move ahead this fall with blacktopping. Lewis said that he did. Mayor stated that there are two quotes for bituminous in hand and the recommendation from the City Attorney, does the Council still want to move ahead with the blacktopping. TeHennepe made the motion to move ahead with the low bid that was received. WSN Engineer Darren Laesch asked to speak with the Council on the quotes. There are two parts to the bids. Base bid is to complete the bituminous by November 1, 2007. The Alternate bid is to do the non-wearing course by November 1, 2007 and to complete the wear course between the dates of June 1, 2008 to July 1, 2008. Engineers feel that it might be best to do the Alternate bid due to the fact there may be settlement and some heavy trucks driving on the road this year. TeHennepe withdrew her motion.

Edevold wants to see the job done and does not want to hold up Lewis. He is still in the opinion that the paving should be left until spring. He would like to see the whole project sorted out in a better way because Mr. Nelson should have the appropriate opportunity to have a good shot at bidding in the spring when everything is sorted out. He still does not see an absolute need to have asphalt down. Lewis argued that this project is not going to settle. If his project settles, so will the one on Spencer Ave. that is being paved. Edevold stated that it is an issue of need, and he has not heard a good argument that it has to be done this fall. Lewis stated that if not paved, sand will wash down the hill and end up on a county road and there will be an additional cost for him to put class 5 dirt back in when it washes out. Councilman Anderson stated that he had spoken to Street Superintendent Teige, and he had stated that he would like to see the base coat be put down this year, for plowing purposes. Edevold stated that he knows that Mr. Nelson has some issues and concerns, whether it be with us as a City or him personally, this is not about trying to do

something to you. Nelson stated that Lewis is right, because it will cost him more money when water gets under curb and gutter and will wash out. Nelson is not comfortable with what has been done but he fully believes in what Lewis is doing and he has a great idea for the City. Mayor Loiland stated that any way this is tore apart, it is less than the \$50,000 that everyone is worried about. There has been damage done. Mayor asked if the Council is going to move ahead with this, this fall. Motion was made by Anderson to accept the quote of Northstar Materials for Alternate Bid #1 - \$20,024.70. Seconded by TeHennepe. Discussion was asked for. Mayor Loiland stated that for the record that in good fairness on the quote of \$65,600 that was originally quoted from Northstar, and Lewis bringing a quote of \$43,000 from Mr. Nelson to get this project done in the cheapest, most high quality manor, and in the best interest of the City would have been the way to go. Unfortunately, he stated, we are not.

Edevold stated that if Mayor Loiland was stating that for the record, Edevold also wanted, for the record, that a quote is in existence from Northstar Materials for \$39,200.00 dated September 12, 2007. Mayor Loiland stated this was after numbers had been released. Council disagreed and stated this quote was not after numbers were released. Lewis stated it was his choice not to accept that quote and TeHennepe stated that this was not presented to the City for discussion and that is the problem. When the City was going to pay for the work and they were not given the opportunity to listen to Lewis's reasons which typically the City chooses the low bid. It does not state that the City has to choose the low bid but the Council should have been presented Northstars bid also to make that decision. Edevold stated that this is his point. That if you are going to stand there and make a "for the record" that we are getting the best value, then it better be in the record that there was a bid from a replicable company for significantly less. Lewis stated that that was his choice because of such a big difference in the bids. If the amounts would have been closer, he would have had no problem.

Mayor asked if there was any further discussion. None was heard. Motion had been made and seconded. For: Anderson, TeHennepe, Edevold, and Loiland. Against: none.

Discussion was held on the City requirements and what steps should be done when a project is proposed. Also who is going to pay for what. Lewis feels that guidelines should be in place before anyone starts anything. Lewis stated that when his project was started, Frank Beaver was going to do the permits and then when Beaver didn't it cost him more money. He thought he was paying 25%, City 25%, and the rest was special assessments. Mayor made the clarification that the City will be participating 25% of the project. The assessment part was mixed up. The Council always thought the 75% was coming from Lewis whether he choose to special assess or pay for it. Lewis asked about doing the special assessments. Edevold stated that special assessments could have been done if started from the beginning. The Clerk stated that special assessments could not be done now, due to Lewis paying the bills. Edevold stated that by Lewis paying the money up front he does not end up with the 15-year property tax assessment. The assessment pattern should have been followed 6 months ago. Discussion was held on the quoting process.

Lewis stated that he would be willing to give the Clerk a copy of all his bills. This will be a record for the City when they participate at 25% of the project. Discussion was held on the bills presented by Lewis. For clarification the Clerk stated the City would be paying for the curb & gutter, and the paving. If this total cost of the curb, gutter and paving is less than the 25% participation amount, then the numbers will be looked at by the Council and acted upon accordingly. If the curb & gutter and paving is 25% of the project or greater, then the City is done.

Engineer Laesch asked for clarification on what the Council is doing on the paving. As far as the contract with Northstar, does the City want WSN to take care of that. Street Superintendent could be watching over the project. This would be a City expense. Laesch explained what they would do for the contract. Lewis would like to know what he has to do with the contract. Edevold stated that he feels it may be a very small amount, and may reduce any further delays and discussion, which may be simplest. TeHennepe agreed that scheduling is an issue and she would like to see the contract portion stay with WSN. Mayor Loiland also agreed that going with WSN to do the contract was the way to go. Motion was made by TeHennepe to hire WSN to write the contract. Seconded by Edevold,

passed unanimously. Motion was made by Edevold to engage WSN to manage the contract for a fee not to exceed 10% of the asphalt job. Seconded by Anderson, passed unanimously.

Clerk asked about setting a date for the Public Hearing to set The Special Assessment Roll for the 2007 Street Improvement Project. Motion was made by Edevold to set the Public Hearing for November 19th at 7 p.m. Seconded by TeHennepe, passed unanimously.

Mayor asked about an apology to be put in the newspaper. Anderson asked Editor Tom Burford on this. Burford stated that it will be stated that there was not a contract between Bemidji Bituminous and the City, but with Duane Lewis. Burford will be writing his own correction to the article.

Discussion was held on the letter received from Bemidji Bituminous attorney.

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

CITY COUNCIL PROCEEDINGS
DECEMBER 11, 2007

The Bagley City Council met in regular session on December 11, 2007 at 7 p.m. in the Bagley 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 Rick Viktora, Al Rasmussen, John Gerbracht, Larry Peterson, Ruby Bergquist, and Frank Beaver.

Motion was made by Edevold to approve the Council minutes from November 5, 13, 19, and 26th. Seconded by Sutherland, passed unanimously.

John Gerbracht was present to request a Gambling Permit for the Bagley Area Ducks Unlimited. They will be holding their 3rd Annual Banquet on April 4th, 2008 at the S&K Bar and Grill and would like to hold a raffle during the Banquet. Motion was made by Anderson to approve the Ducks Unlimited Gambling Permit for April 4, 2008. Seconded by TeHennepe, passed unanimously.

Discussion was held on the Proposed 2008 City Budget. Mayor Loiland would like to see a designation of \$5,500 from the Contracted Services, to membership in CEDO. TeHennepe asked for feedback from Al Rasmussen, who is the Economic Developer for Clearwater County. Rasmussen has not heard if any other groups will be participating. He will get more info to the Council as soon as he can. Mayor again asked if the Council would consider setting the money aside to join CEDO. Edevold stated that he is uncomfortable to do so without seeing budgets and plans. Clerk stated that the City use to have a contract with CEDO and Edevold stated that the Contract used to say that the City sees what was going on. Rasmussen asked when the last contract was, but it was unknown what year that was. He said there has not been any contracts out since he has been the Economic Developer. Members Edevold and TeHennepe thought it was 2006. Anderson stated he would definitely like to see something in writing also. Mayor asked if the consensus was, that the Council as part of the City would be comfortable saying they would like to participate, baring a contract. TeHennepe stated that she would feel comfortable saying that she would support it if a contract were gotten. Mayors concern was that if the Council does not go with the CEDO contract, the \$5,500 could be taken out and the budget lowered. Edevold stated that having some "seed" money available is good in case something comes up.

On the Park & Recreation budget, TeHennepe asked the Clerk if she has gotten any thing on the cost of a topographical study for the City Park. Clerk has not gotten anything yet from the Engineering Company. TeHennepe feels the full \$12,000 may not be needed in the Park Improvements if all the projects are not going to be done. Frank Beaver was asked for an estimated cost on the sewer/water improvements for the ball fields. Beaver figured approximately \$10,000. Edevold stated that the Park Task group is coming up with some good ideas and the most interesting is the moving of the fishing peer. TeHennepe feels this will be a very costly project. Budget will be left as is.

Roads & Bridges: Mayor Loiland asked if the Council would like to reconsider the buying of a flower truck. TeHennepe stated that there have been people who support the flower project and those that do not support it. Would it really save any money by cutting it out? The two pickups that the Street Dept. currently have, would not work due to they need a truck large enough to carry a large water tank. Mayor Loiland stated that it would not bother him at all to get rid of this part of the budget. Sutherland stated that at the present time Al Spring is the only summer worker who can use the present watering truck and when he no longer works for the City a different truck may be needed. As far as the 2010 Street Project, Sutherland feels the Council should start setting money aside so that a huge hit does not happen.

There were no changes to be made on the budget, so motion to approve the 2008 proposed budget, was made by Edevold. Seconded by TeHennepe, passed unanimously.

Motion to have the Clerk certify the 2008 Levy of \$481,496.71 to the County Auditor was made by TeHennepe. Seconded by Sutherland, passed unanimously.

Department Reports: Zoning. Clerk informed the Council that the Zoning Commission has met and passed a Resolution approving the area that the Council set for TIF Districts.

Fire Department: Rick Viktora, Chief. The Bagley Firemen elected officers recently and are asking for the Councils approval. Chief-Richard Viktora; 1st Assistant Chief-Tony Marty; 2nd Assistant Chief-John Gerbracht; Training Officer-Todd Brustad; Treasurer-Tony Merschman; and Secretary-Dan Hecht. Clerk also stated that Dan Keough has been the Firemen's Relief Treasurer. Motion was made by Anderson to approve this slate of Officers. Seconded by Sutherland, passed unanimously.

Police Sergeant Larry Peterson was present on behalf of the Police Department. A part-time Officer is still needed and Officer Andy Anderson has resigned as being a part-time worker due to working full time for the County. Chief Halvorson would like to hire two part-time Officers, this way if one can't work, the other can or if one gets a full-time job then they would be back to zero. Halvorson will go through all the background checks and such and would bring his recommendations to the Council in January. TeHennepe made the motion to hire two part-time Officers, using the same number of hours as asked for on one part-timer and not to exceed the costs of the uniform allowances. Seconded by Sutherland, passed unanimously.

Clerk reported that Pound Master Dan Ekre had asked if the Council would consider buying back the K-9 vehicle, which the insurance company put a total loss on. The Insurance Adjuster stated that the insurance company would accept around \$500.00 for the vehicle and Ekre has looked into a drivers door and straightening out the door area. This should cost around \$200 to \$300. The Pound truck is not going to last very long due to poor condition. Motion was made by Anderson to purchase the Explorer back from the insurance company to use as a pound truck. Seconded by Sutherland, passed unanimously.

Public Utilities-Frank Beaver. The sewer-relining project on Brown Ave. has been finished. The material used to do this has a longevity life of 40 plus years. More lines are being looked into being done. On the gas, 2/3 of the projected supply has been locked in. A consultant was called in to clean up the cable TV lines.

City Hall-Clerk Colleen Lindgren. Discussion was held on joining the Coalition Of Greater Minnesota Cities at a cost of \$603.00 for membership. Mayor asked Beaver for his opinion because he has worked with them before. Beaver feels it would be good to join. Edevold stated that it is similar to the League of MN Cities. He recommended that the City join for a year and see what the City gets out of it. This is a group that works more for the rural cities. Edevold made the motion to join the group for one year. Seconded by Anderson, passed unanimously.

The League of MN Cities is putting on a conference for Experienced Officials in Bloomington on January 18 and 19th. Cost is \$210.00 for meals and materials. Mayor Loiland stated he may be in the Cities that weekend so he would like to go. Motion was made by Edevold to pay the registration costs for Mayor Loiland if he desires to go. Seconded by Anderson, passed unanimously.

Motion was made by TeHennepe to have the Mayor sign the Contract Addendum with the HRDC on the Lake Lomond Project. This addendum extends the contract from December 31, 2007 to March 31, 2008. Seconded by Sutherland, passed unanimously.

Motion was made by Anderson to approve the following 2008 Dance Permits: S&K Bar & Grill, American Legion Club, and Bagley Senior Center. Seconded by Sutherland, passed unanimously.

Motion was made by TeHennepe to approve the 2008 Club License for the American Legion Post 16. Seconded by Anderson, passed unanimously.

Motion was made by Sutherland to approve the following 2008 Liquor Licenses: S&K Bar & Grill, Great Northern Bar & Grill, and Main Street Tavern. Seconded by Edevold, passed unanimously.

Motion was made by TeHennepe to approve the 2008 Sunday License for the American Legion Club and S&K Bar & Grill. Seconded by Sutherland, passed unanimously.

Motion was made by Edevold to set the following dates for the 2008 Regular City Council meetings. January 8, February 12, March 11, April 8, May 13, June 10, July 8, August 12, September 9, October 14, November 10, and December 9. Seconded by TeHennepe, passed unanimously.

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

Committee Reports: Parks & Recreation-TeHennepe. TeHennepe questioned the construction of a skating rink at the ball fields. She would like to let the Hockey Association know that the City does not plan on taking away from them. She is also wondering if this is going to get done. Teige will be talked to about getting it done. The Park Group is still getting input on the park project and they are getting cost estimates on things they would like to see done.

Clerk explained the Capital Improvement Program for the airport. This is to be done every year. She has worked with Street Superintendent Teige on this in past years. This program is to let the State Aeronautics department know what the City would like to see done with the City Airport. Council would like to see a grass mower and plow truck added on, if possible.

Clerk gave the Council information on a Redevelopment Grant Program. This is for projects which the Council would like to see done in the City, like downtown rehab, housing rehab, infrastructure, etc. Motion was made by Edevold to move forward and ask HRDC if they would be able to put in an application for the City. Seconded by TeHennepe, passed unanimously.

Clerk brought up the fact that the Street Department got the old fire truck chassis and Teige would like to get a dump box for on the back. Cost will be approximately \$7,000 and Teige would like permission to get the dump box and pay for it from his truck account. Motion to do so was made by Sutherland. Seconded by Anderson, passed unanimously.

Mayor Loiland stated that he would like to see the Street Department plow the snow off the roads around the Hockey Building. During the last two storms the area did not get plowed out. This is county land, and the Mayor plowed it with his pickup, the last time it was plowed. Edevold suggested that the Street Superintendent do it and charge it to the County. Mayor stated that there is a lot of things the two groups do for each other in the line of work. Motion was made by Anderson to have the Mayor talk to Teige about plowing the road. Seconded by Edevold, passed unanimously.

Mayor also stated that last month the Council received a letter from the BIDC on the bonding funds which are still available to do work in the Industrial Park, and he would like to see those funds locked in to do a water & sewer project in the Industrial Park. Edevold stated that the only thing that the Council could use those funds for is a project in the industrial park or to buy down the debt. Being it was not approved at the Truth in Taxation meeting to buy the debt, the funds are still in the general account.

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
DECEMBER 12, 2006

The Bagley City Council met in regular session on December 12, 2006 at 7 p.m. in the City Council Chambers.

Present were Mayor Steven M. Beltz, Council Members Howard Moore, Karen Anderson, John Sutherland, and Clerk Treasurer Colleen R. Lindgren. Member Mark Edevold was absent.

Also present: Steve Haugen, Darin Halverson, Larry Peterson, Paul Podhradsky, Arnie Teige, Todd Brustad, David G. Anderson, Tony Marty, and Keith Kubiak.

Motion was made by Moore to approve the minutes as read. Seconded by Sutherland, passed unanimously.

Motion was made by Moore to appoint the following people to the Lake Lomond Improvement project task force: Steve Beltz, Wendy LaRoque, Marianne Sherzer, Lee Skunes, Keith Larson, Doug Lindgren, LeRoy Riewer, Jeanine Brand, Stacy Kleme, Ann Beck, Laine Larson, Jacki Merschman, and Council Members Mark Edevold and Karen Anderson. Seconded by Sutherland, passed unanimously.

Motion was made by Anderson to accept the bid of Francis Floral to do the flower baskets for the City. Price is \$45.00 per basket/55 baskets for a total of \$2,475.00. Seconded by Sutherland, passed unanimously.

Keith Kubiak was present to speak with the Council about the upcoming construction of his new store in the Kastner Sub-Division. Spencer is a 38-foot street and other streets that Kastner has are 50 feet. Estimated vehicle traffic was quoted. With the drawing he has done for his new store, his dock is on the west side coming off Spencer. This will be hard for the truck drivers and they would beat up the tar. There is a 20-foot easement on the east side of the property, which he purchased. This easement has water and sewer lines in part of it, which the city owns. Are there any plans to upgrade Spencer? There will be a lot of water runoff from the green area, which will be turned into parking lot. He would like to see something done to Spencer or with the alley easement on the east. He may have problems building his building where he would like it on the lots. If the alley on the east were developed, his truck traffic would not be going on Spencer. Mayor Beltz stated that the City does not have any budgeted dollars for the Kastner Sub-Division. Only option would be to bond the project.

Kubiak asked about upgrading the alley. DOT must approve an entrance onto the Highway. There is a light pole and electrical boxes in the way. He would work with the City to update. Street Superintendent Teige stated that he thinks it would be good to upgrade the alley and keep the traffic off Spencer. Teige will speak to DOT. Kubiak will also talk to Public Utilities to find water lines and costs to move the boxes. Kubiak would like to work with the City and do his place/parking lot the same time the City does their work. He will be keeping the City informed on what he is doing.

7:25 P.M. Councilman Edevold entered the meeting.

Motion was made by Anderson to have Teige speak with DOT and Curt Meyer of Widseth Smith Nolting. Seconded by Moore, passed unanimously.

Motion was made by Moore to accept Resolution #21-06 ACCEPTANCE OF DONATION. Seconded by Sutherland, passed unanimously. Donation is of \$200.00 from the Bagley Lions Club to put towards the footbridge in the area North along Hwy 92.

Tony Marty was present representing the Fire Department. Election of Officers has taken place by the firemen, and they are now asking approval of the Council to appoint the following Officers: Rick Viktora – Fire Chief; Tony Marty-First Assistant Chief; Troy Jesness-2nd Assistant Chief; Dan Hecht-Secretary; Tony Merschman-Treasurer. At this time Viktora is unable to take on the duties as Chief due to a vehicle accident. So, with permission from the Council, Marty would be willing to stand in as Chief until Viktora is able to do the Chiefs duties with Doctors permission. Motion was made by Moore to

approve the Slate of Officers, with Marty filling in as Chief until Viktora has his Doctors written approval that he is able to perform the duties of Chief. Seconded by Sutherland, passed unanimously.

Motion was made by Edevold to approve Resolution #22-06 AUTHORIZATION TO EXECUTE A LEASE AGREEMENT FOR A MOTORCYCLE SKIL TEST COURSE. Seconded by Anderson, passed unanimously.

A Leadership Conference for Council Members will be held in Grand Rapids on Jan. 12 & 13th. Motion was made by Edevold to allow five members to attend. Seconded by Anderson, passed unanimously. Clerk will make reservations for the Conference and rooms.

Motion was made by Edevold to set the 2007 pay raises as follows: Raise in Health care benefit: from \$615.50 (family ins) and \$574.50 (single ins) to \$796.00 per month. Raise in wages: 2% for all regular employees plus: Darin Halverson – 28 cents per hour and Gary Coyer – 10 cents per hour. Seconded by Moore, passed unanimously.

Motion was made by Moore to approve the 2007 Budget as proposed, with the changes of adding comp time expenses. Seconded by Anderson, passed unanimously.

City Hall - \$358,787.54
Fire Department - \$54,025.00
Police Department - \$306,112.45
Roads & Bridges - \$279,817.40
Park and Recreation - \$48,238.00
Zoning Commission - \$5,090.00
Economic Development - \$21,886.00
Cemetery - \$6,320.00
Community Service Program - \$2,400.00
Airport - \$31,843.00
Firemen's Relief Transfer - \$14,000.00
Special Assessment/Fire Truck - \$10,000.00
Total Expenses: \$1,138,519.39
Total Proposed Revenue: \$1,138,604.59

Motion was made by Edevold to approve the 2007 Levy in the amount of \$464,309.01 and have the Clerk certify this amount to the County Auditor. Seconded by Anderson, passed unanimously.

Department Reports: Liquor Store – Sutherland showed the Council another quote from the contractor to fix the front of the building. It is recommended to use tie back guard instead of weather guard due to the fact that weather guard holds moisture in. Moore thinks it would be nice to put it out so other people could say what they could do to the building. Edevold stated that at some point in time the Council needs to say what they want to have done and get bids on it. Project was tabled at this time.

Police Department-Chief Haugen. A letter of resignation has been received from Police Chief Steve Haugen, effective April 30, 2007. Edevold motioned to regretfully accept the resignation of Chief Haugen with appreciation for all his past work. Seconded by Moore, passed unanimously.

Chief Haugen put in the recommendation that if the Council goes into contracting that they go with open eyes. This would be the perfect time to see what it is like with a three-man department. If the Council does contract, there may be less coverage and you loose your input into the Department. He would be glad to work with the Council and the Department to work up a three man schedule. No one has assured the Cities three Officers what is in store for their future. Anderson stated that the Council has had a meeting where the Council said they would be looking out for the best interest of the City Officers and they would never enter into something that would not protect our Officers. This was a meeting that Halvorson and Peterson were at. Officers were told that at this time there has not been any talk with the County about contracting with them. Officer Peterson stated that good employees leave if they don't know what will be happening. Mayor Beltz assured the Officers that the talking held before was due to the large budget and levy from

the year before. No negotiating has been done. Officers were asked not to listen to rumors going around until they have spoken to the Council. Edevold stated that he feels the Council will not enter into anything that does not take care of City staff. Mayor Beltz stated that a rep from the Police Dept. will be included in any negotiations. Halvorson asked if it is the intention of the Council to drop to a three-man department. Edevold said he is inclined to keep a four Officer group. Halvorson stated they would like to try a three-person staff with some part-timers on the weekends. This would drop the wage budget and then get some newer equipment. County Officers may be utilized for this. Moore thought it a good idea to try it with 3 Officers and see how it goes.

Discussion will be held at the Councils January 2nd Annual meeting to set a time for looking at the Chief Position. Mayor Beltz thanked the Officers for all their input.

Moore stated that people have told him they have seen more traffic stops and this is good news.

Roads & Bridges- Superintendent Arnie Teige. Teige has been looking into the costs of a new sander for the truck. Cost is \$3,000 and this can be taken out of his truck account. The house south of the tracks that the City recently purchased, will be torn down within a few days with permission of the Council. Motion to do so was made by Edevold to demolish the house. Seconded by Anderson, passed unanimously. Well will be sealed and drainage ditch taken care of in the spring.

Zoning-Howard Moore, Administrator. Board will be holding a meeting on December 18th to discuss a proposed amendment to the zoning ordinance.

Public Utilities-Mark Edevold, Board Member. Commissioners are working with the Hockey Association on their utilities. May end up running gas into the building. Board is going to treat 2007 as a gear up year to get projects done. Will also be contracting with Freeberg & Grund to update the service maps of the utilities.

City Hall-Colleen Lindgren, City Clerk. Monthly budgets were gone over.

Moose Creek Graphics has put in a quote to fix the sign in the City Parking lot. One sided: \$382.34; two sided-\$478.19. Discussion was to take off the 2 Hour Parking or to take the sign down all together. At one time there was an agreement with Galen Leintz to keep the lot for public parking but the 2-hour parking has not been enforced. Clerk will speak with Greg Leintz about taking the sign down completely.

Discussion was held on a letter received from Drahos Young & Kieson, P.A. who represent Cliff Kastner. Council members thought this had been cleared up earlier by Kastner and Attorney Rasmussen at an earlier meeting. Clerk was instructed to have Attorney Rasmussen and Kastner at the next meeting and to research it further. Matter tabled until January 9 meeting.

A letter was received from City Attorney Ed Rasmussen concerning the purchase of the Nepean property. There were back taxes that had not been paid, so Rasmussen paid them himself. Nepean's have not paid Rasmussen, so he would like the City to request payment. If they do not pay, a claim can be made in Small Claims Court against property they own. Motion was made by Sutherland to have the Clerk write a letter to Nepean requesting payment. Seconded by Anderson, passed unanimously.

Motion was made by Edevold to pay Rasmussen bill recording the deed, not the delinquent taxes. Seconded by Sutherland, passed unanimously.

Discussion was held on the proposed transportation bus for the City. Michael Frisch, Tri-Valley Opportunity Council manager, would like to have one Council Member on his board for the bus line and he would also like to know how much/if the Council is willing to subsidize the fare. Earlier the Council had decided not to do any subsidizing of the fare. Motion was made by Edevold to change the Building Committee to Building/Transportation Committee. Seconded by Moore, passed unanimously. If any meetings are held in December, Moore will attend. Steve Beltz is also be appointed to this committee.

Motion was made by Edevold to approve the following 2007 Dance Permits: Bagley American Legion and S&K Bar & Grill. Seconded by Anderson, passed unanimously.

Motion was made by Edevold to approve the 2007 Club License for the Bagley American Legion Club. Seconded by Moore, passed unanimously.

Motion was made by Anderson to approve the 2007 Liquor License for the following: S&K Bar & Grill, Main Street Tavern, and Great Northern Bar & Grill (pending Insurance papers). Seconded by Sutherland, passed unanimously.

Motion was made by Edevold to approve the 2007 Sunday Liquor License for the following: Bagley American Legion and S&K Bar & Grill. Seconded by Moore, passed unanimously.

Motion was made by Edevold to set the regular 2007 Council meetings for the following dates (2nd Tuesday of each month): January 9, February 13, March 13, April 10, May 8, June 12, July 10, August 14, September 11, October 9, November 13, and December 11. Seconded by Sutherland, passed unanimously.

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

Motion was made by Edevold to transfer \$928.08 from the 2005 designated Dare funds to the 2006 Dare Account. Seconded by Moore, passed unanimously.

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

Mayor Beltz gave his final speech for the year by saying it has been a pleasure serving with all of the Board Members and that they have done an excellent job. Howard Moore on Zoning has done a tremendous job. No one paid attention to zoning for a number of years and Moore has done an excellent job. John Sutherland was thanked for taking over an open position and it has been a pleasure working with him. Mark Edevold for working with the Public Utilities and he appreciated all he has done on that board. Karen Anderson was thanked for going above and beyond the call of duty for working with the Park. Colleen Lindgren was told this job would be impossible with out as qualified City Clerk as she is.

The City has made a lot of progress over the years and the atmosphere is not as negative as it used to be. Opine Swamp was cleaned up, new business's have come in, annexation of around Lake Lomond, Highway 2 Project, Downtown Revitalization, old buildings taken down, are just some of the projects worked on. Biggest challenge coming up is property taxes.

Council Members Thanked Mayor Beltz for all he has done for the City.

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

Steven M. Beltz, Mayor

ATTEST:

Colleen R. Lindgren, CMC
City Clerk Treasurer