

**CITY COUNCIL PROCEEDINGS
JANUARY 8, 2013**

The Bagley City Council met in regular session on January 8, 2013 at 6 p.m. in the Bagley City Council Chambers.

Present: Mayor Sidney Michel, Council Members Chad Bonik, David G. Anderson, Dennis Merschman and Jon Brovold, City Clerk Treasurer Colleen R. Lindgren and Deputy Clerk Faye Jacobs.

Also present: Bill Masterson, Ciera Hartman, Chris Arnold, Mike Jensen, Darin Halverson, Andy Simmons, Troy Jesness, Doug Lindgren, and David L. Anderson.

Meeting was called to order at 6 p.m. by Mayor Sidney Michel.

Motion was made by Bonik to approve Council minutes of the December 11th and December 31st, 2012 meetings. Seconded by Merschman, passed unanimously.

Motion was made by D. Anderson to approve the following items on the Consent Agenda:

1. Appoint Ed Rasmussen as City Attorney for 2013.
2. Appoint Terry Knutson, Lavidia Wiens, Sarah Schwegel, Kathy Steinmetz and Melanie Nelson to the Library Board for 2013.
3. Appoint David G. Anderson, Kraig Fontaine, Bill Masterson, Jacki Merschman and Mayor Sidney Michel to the Zoning Commission.
4. Appoint Council Members Chad Bonik and Jon Brovold to the Park Board as advisors.
5. Appoint Colleen Lindgren as Cemetery Sexton for 2013.
6. Approve the 2013 Contract with Clearwater County Attorney Richard C. Mollin.
7. Approve Clerk to Advertise for bids for Gas at the pumps for City vehicles.
8. 2nd monthly meeting dates of the Council: January 23, February 27, March 27, April 24, May 22, June 26, July 24, August 28, September 25, October 23 and November 27th.

Motion seconded by Merschman, passed unanimously.

Mayor Michel appointed David G. Anderson as Vice-Mayor for 2013.

Appointment of two new members to the Park Board was tabled until the next regular meeting of the Council.

Motion was made by Bonik to appoint Dennis Merschman to the Public Utilities Board for a three year term. Seconded by Brovold. Discussion - Public Utilities Commissioner Andy Simmons stated that he would like to see a Business Owner on the P.U. Board. He feels that Board Member Mark Edevold should take his place if he is still going to be on the Commission, and Doug Lindgren should be reappointed to the Utilities Commission. He does not feel that Lindgren should be removed. Past practice has been the three people on the Board have been a Councilmember, a Business Owner and a person from the public. Bonik asked that it be known that the Council is not removing someone from the Utilities Board, Lindgren's term is up. Mayor Michel stated that the MN Statutes does not say who you have on the Board. He has spoken to four different lawyers on the process of appointment. Merschman stated that at the Public Utilities Commissioners meeting, Mark Edevold had told Lindgren and Simmons that being Lindgren's term is expiring, he would be taking Lindgren's position on the Board to make room for a Council Member. Simmons stated that it sits wrong with him that the Commission will not have someone representing the businesses. Bonik stated that all the meetings are public so Business owners can attend the meetings. Vote on the Motion: For - D. Anderson, Bonik, Brovold, Michel. Merschman abstained. Motion carried.

Motion was made by Anderson to approve passage of Resolution #1-13 OFFICIAL NEWSPAPER. Seconded by Bonik, passed unanimously.

Motion was made by Merschman to approve passage of Resolution #2-13 OFFICIAL DEPOSITORY. Seconded by Bonik, passed unanimously.

Clerk discussed Resolution #3-13 with the Council. This resolution pertains to the borrowing of \$200,000 from TEAM Industries to construct the new liquor store. Interest rate to be set at 2.75% for 15 years with payments to be made monthly and secured by a 2nd mortgage on the property. Motion was made by Bonik to approve passage of Resolution #3-13 LOAN FUNDING FOR BAGLEY MUNICIPAL LIQUOR STORE. Seconded by Merschman, passed unanimously.

Clerk read a note from Tom Riewer/TEAM Industries asking if the Council would be acceptable to have the interest on the construction advance be paid on July 1, 2013 and installment payments begin on August 1, 2013. Motion was made by Bonik to approve payments as noted and to approve payment of \$460 for the Mortgage Registration Tax and a recording fee of \$46.00. Seconded by Anderson, passed unanimously.

Motion was made by Bonik to approve Pay Application #1 to Gordon Construction of Mahnomen for Liquor Store construction in the amount of \$158,246.12. Seconded by Anderson, passed unanimously.

Motion was made by Merschman to approve Progress Billing #1 to Naylor Heating & Refrigeration in the amount of \$19,500. Seconded by Bonik, passed unanimously.

Troy Jesness was present to talk about the Pawn Brokers Ordinance. Present license cost is \$1,000 and he would like to see that amount lowered. No issues have been noted at the Bagley Motor Sports Pawn Shop. Chief D. Halverson stated that the amount is set by Ordinance and the City pays into the State for the use of their system to report the number of uses at a pawn shop. Ordinance had first been worked on by former Chief Steve Haugen. Mayor Michel stated that the ordinance would need to be revisited. Motion was made by Anderson to approve the 2013 Pawn Brokers License for Bagley Motor Sports pending receipt of insurance certificate and payment of the fee. Seconded by Brovold, passed unanimously.

Clerk Lindgren reviewed the December 2012 City Budget reports.

Motion was made by Merschman to approve payment of the City outstanding bills. Seconded by Bonik, passed unanimously.

Discussion was held on the outstanding bills for the Municipal Liquor Store. December bills total more than what is in the checking account for December 31, 2012. Clerk stated that the bills that have been paid to WSN for their services can be reimbursed to the Liquor Store checking. Some of the bills may be held until enough funds have been generated to pay all bills. Motion was made by Bonik to pay the Liquor Store outstanding bills. Seconded by Merschman, passed unanimously.

Clerk was asked to open the bids received on the sale of the old City garage building and property. David L. Anderson - \$8,101.00. No other bids were received.

Motion was made by Merschman to accept the bid from David L. Anderson in the amount of \$8,101. Seconded by Bonik, passed unanimously.

Department Reports: Police Dept. -Chief D. Halverson. Halverson handed out the yearend report for the Police Dept. and reviewed it with the Council. Halverson has gotten two quotes for a 2013 Squad Car. Both quotes were from Nelson Auto Center in Fergus Falls. Ford Taurus - \$24,834.61 and a Ford Utility for \$26,473.82. Halverson would prefer getting the Ford Utility. Motion was made by Anderson to accept the quote of \$26,473.82 for the Ford Utility vehicle and to spend up to \$30,000 for the vehicle and equipment for the vehicle. Seconded by Brovold, passed unanimously.

Liquor Store-Manager Chris Arnold. Arnold informed the Council on a security system for the new Liquor Store. Total installed purchase price is \$1,132.75 from Garden Valley Telephone Company. Arnold could use some of the present cameras but will need a few more. This is not something that can be paid for with Loan Funds. The new store is ready for the water softener and ice machine. Naylor's has a program where they would take the water softener to their business and have it reconditioned. Anderson stated that he feels it cost more to make the ice than it would to just purchase it. Arnold was asked to research making ice or not to make ice. Motion was made by Anderson to approve purchasing the security system from Garden Valley Telephone for \$1,132.75. Seconded by Brovold, passed unanimously. More shelving for the new store was discussed. Motion was made by Bonik to purchase used shelving at a cost up to \$3,200 which includes shipping. Seconded by Anderson, passed unanimously.

Phone system needs to be wired into the new store by Garden Valley. Motion was made by Bonik to have Garden Valley Telephone put the phone lines into the building. Seconded by Merschman, passed unanimously.

Bonik approved for Arnold to start working on the Fire Works fundraiser. Seconded by Anderson, passed unanimously. Anderson volunteered to sit on the Fundraiser committee.

Motion was made by Anderson to send Arnold to the 2013 MMBA/MLBA Legislative Day at the Capital on January 28 and to reimburse Arnold for mileage. Seconded by Bonik, passed unanimously.

Wages will be reviewed after the regular meeting in closed session.

Fire Department: Bonik informed the Council that the sirens are up. Motion was made by Merschman to order/purchase lights for the Fire Hall. Seconded by Brovold, passed unanimously. There will be a rebate coming through Public Utilities after the lights are installed. Clerk was asked to check on the Certification testing for letting off Fire Works.

Zoning - annual meeting will be held on January 25th at 5 p.m. in the City Council Chambers.

Park Board - Chairman Doug Lindgren. Finalization of the Raffle will be done at the next meeting which will be held on January 22nd at 6 p.m.

Roads & Bridges - Bill Masterson, Street Superintendent. Clearwater County would like to have the sidewalks cleaned up better on Bagley Ave. & 4th Street and this will be billed to the County. Masterson would like to look into building a Sand & Salt shed. In the 2013 Budget it was approved to hire one more employee for the Street Dept. This person must be able to weld, be mechanical inclined and flexible to work. This will be talked about more at the next meeting.

Bobcat is not working as well as hoped to remove sidewalk snow.

Airport has been closed due to thick ice on the runway. Brush piles still need to be burned and then the Obstruction Removal project will be completed.

Progress on the new Liquor Store: the west wall is about done. Early next week the duct work should be done. The Steel studs should be in this Thursday. The water lines and storm sewer must be dug up due to gaskets need to be installed and the water lines need to be inspected by the State Inspector. A new Man-Hole in the street is being done also.

BIDC - Annual meeting will be held on January 9th at 7:30 p.m.

Public Utilities - Mike Jensen, Manager. Internet is up and running. Email service will be done soon. Approximately 25 customers have been set up so far.

Motion was made by Anderson to approve Resolution #4-13 RESOLUTION DETERMINING THE NECESSITY TO ISSUE A NOT TO EXCEED \$143,800 GENERAL OBLIGATION EQUIPMENT CERTIFICATE, SERIES 2013A. Seconded by Brovold, passed unanimously.

Motion was made by Merschman to approve Resolution #5-13 RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF A \$143,800 GENERAL OBLIGATION EQUIPMENT CERTIFICATE, SERIES 2013A; ESTABLISHING THE TERMS AND FORM THEREOF; CREATING A DEBT SERVICE ACCOUNT THEREFOR; AND AWARDING THE SALE THEREOF. Seconded by Bonik, passed unanimously.

Motion was made by Merschman to approve Resolution #6-13 RESOLUTION DETERMINING THE NECESSITY TO ISSUE A NOT TO EXCEED \$143,800 GENERAL OBLIGATION EQUIPMENT CERTIFICATE, SERIES 2013A. Seconded by Bonik, passed unanimously.

Motion was made by Bonik to approve Resolution #7-13 RESOLUTION CALLING FOR A PUBLIC HEARING ON THE ISSUANCE OF HEALTH CARE FACILITIES REVENUE NOTE AND AUTHORIZING THE PUBLICATION OF A NOTICE OF THE HEARING (SANFORD HEALTH OF NORTHERN MINNESOTA PROJECT, INC.). Seconded by Merschman, passed unanimously.

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

Clerk updated the Council on the Small Cities Grant Project. HRDC solicited full applications from the first five households on the waiting list, which two were returned for consideration. HRDC is now working with those two, for repairs to their homes. Next round of applications will be solicited in the middle to end of February. Goal is to upgrade 12 homes in the City and the contract end date is 12/31/2014.

Clerk Lindgren asked permission to attend the MCFOA 2013 Conference. Registration cost is \$210; room is approximately \$320, plus mileage. Motion to approve Lindgren to attend the conference and pay expenses was made by Merschman. Seconded by Brovold, passed unanimously.

Members are invited to a Public Meeting on the Safe Routes to School project. Meeting to be held on January 14th at 7 p.m. in Room 100, Bagley High School.

Motion was made by Merschman to transfer \$11,000 from the Economic Development 2013 Budget to the Bagley Industrial Development Corporation. Seconded by Brovold, passed unanimously.

Mayor Michel asked that Clerk Lindgren write a letter to the State of MN asking for permission to use \$200,000 of the Revolving Loan Funds for the construction of the new Liquor Store.

Mayor would also like to speak with Sandy Nelson, City Auditor from Miller McDonald, about meeting with staff before the new liquor store is open to fine tune everything and get all accounting on line. Motion to approve was made by Merschman. Seconded by Anderson, passed unanimously.

7:40 p.m. Mayor closed the meeting for employee discussion.

8 p.m. Mayor opened the meeting.

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

Mayor and Merschman visited with the Coalition of MN Cities, on the services they provide. They do have an Attorney on staff that would help with City business. Rates will be forwarded to Council members.

Motion was made by Brovold to table the Liquor Store Employees salary discussion at this time and revisit the matter in April. Seconded by Anderson, passed unanimously.

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

**LIQUOR STORE CONSTRUCTION MEETING
CITY COUNCIL PROCEEDINGS
JANUARY 17, 2013**

Councilmembers met with WSN Engineer Benji Hofstad and Gordon Construction at the new liquor store construction site at 10:30 a.m.

Progress meeting was held at City Hall at 11 a.m.

Present: Mayor Sidney Michel, Councilmembers Dennis Merschman, Jon Brovold, City Clerk Treasurer Colleen R. Lindgren, Liquor Store Manager Chris Arnold, WSN Engineer Benji Hofstad, Matt Gordon and Bob Borje from Gordon Construction.

Work in progress on the Store was discussed and what will be done in the coming weeks. Matt Gordon explained his project with the storm sewer and that State Inspector Gary Topp will be in this week.

Discussion held on Change Order #2 for Overbeek Mechanical to put in hot & cold piping to the sink in the room where wine tasting will be done. Motion was made by Merschman to approve Change Order #2 in the amount of \$1,465.86. Seconded by Brovold, passed unanimously.

Hofstad was asked to email all letters/correspondence to the City office.

Lighting in the Cooler? Arnold will be speaking with Dave McCollum from Naylor's Refrigeration to see if the lights are in the center or middle. Doors have LED on them.

Changing of the transformer will be scheduled for a Friday due to everything will need to be shut down.

Brovold asked about the outlets that have been put up high. What are they for? Arnold said they will be used to plug in beer and liquor signs. Nothing will be put on the east wall due to coolers. Arnold will double check on outlets down low.

Michel stated there is still the issue on the ditch next to the road. He feels it is too steep. Brovold said that it is hard to visualize right now, it will need to be looked at in the spring.

Hofstad talked about the transformer issue. When the plans were originally looked at, Mike Jensen Public Utilities had ordered a transformer to fit and put that in. WSN looked at the Naylor plans, there were changes, but the information

was not given to Jensen at the PU that a larger transformer was needed. Now a larger transformer must be ordered and put in. Hofstad asked how the Council feels on the paying of the restocking fee. Mayor Michel said that he has spoken to Jensen, and he feels that it is the fault of WSN. Merschman said that Jensen had told him that he understood that WSN is paying the restocking fee. Hofstad was told by Council that he should work with Mike Jensen on the business of the transformer.

Schedule of the construction of the new store - Gordon Construction is very confident they are on schedule.

Next meeting is tentatively scheduled for Thursday February 14th at 10:30 a.m. Hofstad will get out a notice before the meeting. He feels this will be the "punch list" meeting.

Dispensers for the bathrooms: Arnold will get with Henry's to order all dispensers this week.

Hofstad reported that WSN has put in additional time in the design area such as the coolers electrical design and the sub-contract agreement with Naylor's. Cost to them is between \$800 to \$1,000.

Discussion was held on the sale of the coolers in the present Liquor Store. Motion was made by Merschman to advertise two of the coolers for sale with a minimum price of \$1,200 on the newer 2 door cooler and \$600 on the older cooler. Seconded by Brovold, passed unanimously. Bids to be opened on Monday January 28th at 7:45 a.m. in the City Council Chambers. Councilmembers will hold this meeting with no pay.

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

CITY COUNCIL PROCEEDINGS JANUARY 23, 2013

The Bagley City Council met in special session on Wednesday January 23rd at 5:30 p.m. in the City Council Chambers.

Present: Mayor Sidney Michel, Council Members David G. Anderson, Dennis Merschman, Jon Brovold, Chad Bonik, City Clerk Treasurer Colleen R. Lindgren, and Deputy Clerk Faye Jacobs.

Also present: Street Superintendent Bill Masterson, Liquor Store Manager Chris Arnold and Doug Lindgren.

Mayor Michel informed the Council that he is looking for a volunteer to sit in on meetings for the Safe Routes to School project. HRDC has asked that the City Council have a representative on the board. Brovold and Bonik both volunteered to attend.

Discussion was held on the Pawnbrokers License Ordinance #169. Motion was made by Anderson to approve an Amendment to Ordinance #169 - An ordinance amending ordinance No. 161 relating to the licensing and regulation of pawnbrokers, secondhand and precious metal dealers, and to adopt, establish and implement the use of the automated pawn system (APS) in furtherance thereto, amending the license fee from \$1,000 to \$250. Seconded by Brovold, passed unanimously.

Hiring of another Street Crew worker was discussed. Masterson would like to hire someone who has a license to drive the big trucks, run bobcat, weld and do mechanical work. Motion was made by Anderson to have the Clerk advertise for the position of part-time/with possible fulltime, wages depending on experience. Seconded by Bonik, passed unanimously.

Masterson gave an update on the Liquor Store construction. Water test passed, the storm sewer where the roof drains run into failed so more work is needed. Manholes in the parking lot will be torn up next Monday. This work should be done at no cost to the City. Most of the sheetrock is up. Water lines into the wine room are about done. A lot of the lights are up, plumbers are working and cooler frames are in. Window will not be put in the vestibule.

Arnold stated that the LED strips run down the center of the cooler.

Two large coolers are being put out on bids which will be opened on Monday Jan. 28th at 7:45 a.m. Council members will not be paid a stipend for this meeting.

Moving of present inventory - Arnold stated that on March 3rd all reps have said they will show up to help move their product. It will take two to three days to put the shelves up in the store. Clerk stated that the City Auditors have said inventory needs to be taken as it is moved or put in the building. Merschman asked if the inventory is up to date and accurate. Clerk stated that she and Arnold did beer inventory at the end of the year and there were lots of discrepancies. So a true inventory is needed when the new store is opened. This will be talked over with the auditor when she meets with us the end of this month. Mayor feels that the store will be closed for at least 4 days to get everything moved. Clerk stated it took 4 hours to do the beer inventory and longer to do the wine. Then you have all the other items to inventory. Arnold would like to move the other stock to the store the week before. Alarm system will get turned on as soon as Gordon Construction is done. Anderson said that Arnold should go through his inventory now to see what is not turning over and get it put out on sale. Arnold would like to do a 10% off sale during the week of Feb. 18th to lower the inventory. Brovold would like to see the sale in the new store. Anderson feels that he would rather see it advertised as a moving sale, and to get people to come in to the new store to see the specials. Bonik agreed that he would like to see the people come into the new store instead of an old store that is being closed. Anderson would like to see it checked into having an inventory specialist to come in and do the inventory. Arnold will check into getting another gun for the day of moving. Costs will be checked into. Merschman stated that he can't figure out why the inventory is so far off now. Clerk stated that they did recount the numbers and the count was correct. Costs will be checked into. Part-time help will be asked to help with the moving. Jacobs said that the number of hours worked needs to be watched.

Cabinets have been ordered for the special event room and a sink is still needed.

Clerk gave a report on the Revolving Loan funds. The State has verbally stated that Revolving Loan Funds cannot be used for retail sales of a liquor store. A letter has been sent but no written answer has been received yet. First National Bank loan was upped by the \$200,000 meaning payments will be higher due to higher interest rate than figured with using the RLF.

Payment of bills on the new Liquor store: Clerk stated that funds could be reimbursed to the Liquor Store checking for bills paid to Widseth Smith Nolting, from the loan at First National Bank. These total \$42,189.59. Pay Request #2 has also been received from Gordon Construction in the amount of \$125,162.12. Brovold asked if the funds for the WSN reimbursement should be paid to the RLF for the funds which were borrowed from there last year. Talk was held on the paying of the shelving for the new store. Mayor asked if the shelving was figured in on the borrowing of \$200,000 from the Revolving Loan Fund. Arnold stated that it was figured in on some point of the financing. Clerk stated that the shelving was not figured in any of the financing. Merschman stated that if the City is not legally supposed to use the RLF, they should be paid back now. Motion was made by Anderson to pay the two bills of Gordon Construction and WSN invoices to the liquor store checking in the amount of \$167,351.71. Seconded by Merschman, passed unanimously. Motion was made by Merschman to reimburse the Revolving Loan Funds in the amount of \$32,907.80. Seconded by Brovold, passed unanimously. Brovold asked if any of the site boring costs can be used from the loan funds. Clerk stated that she would need to ask the Loan Officer at First National Bank on this. Brovold asked what would happen if the loan funds are all used and we run out of money, where do we go for more? Is First National willing to write a short term note? Mayor said that we may be able to do that or can funds be borrowed from the General funds. Clerk stated that the bank may do a short term loan using the City funds as collateral. Brovold feels the Council needs to be prepared for such. Mayor feels when the inventory needs to get back up; Council may need to borrow more.

A meeting will be held with the City Auditor towards the end of February. Councilmembers Anderson and Merschman will attend along with Liquor Store Manager Chris Arnold, City Clerk Lindgren and Deputy Clerk Jacobs.

Clerk reported that HRDC has been working with two different residents on the Small City Grant Project. Bills have been received in the amount of \$4,431.00 on the two projects. Clerk informed the Council that the billing statements are made up by HRDC, given to the Council for their approval then sent to the State for payment. Once the City gets the money from the State, the City must pay the bills within three days. Motion was made by Merschman to pay the Small Cities Grant invoices in the amount of \$4,431. Seconded by Anderson, passed unanimously.

The 203 CGMC Legislative Action Day will be held on Wednesday, Feb. 6th in St. Paul. No members will be attending.

Mayor informed the Council that HRDC and NWMIF may be able to help the Zoning Commission update the City Zoning Ordinance. The Board will be working on this.

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

**CITY COUNCIL PROCEEDINGS
JANUARY 28, 2013**

The Bagley City Council met in special session on January 28, 2013 at 7:45 a.m. in the City Council Chambers.

Present were Mayor Sidney Michel, Council Members Jon Brovold, Chad Bonik, Dennis Merschman, and Clerk Treasurer Colleen R. Lindgren. Councilman David G. Anderson was absent.

RE: Opening of bids for the coolers at the Municipal Liquor Store.

Clerk opened the only bid received. Bid was put in by Brandon Simpson for the Hussmann 2 door cooler in the amount of \$1,310.00. Motion was made by Brovold to accept the Simpson bid. Seconded by Merschman, passed unanimously.

Motion was made by Bonik to adjourn the meeting. Seconded by Brovold, passed unanimously.

NOTE: COUNCILMEMBERS WERE NOT TO BE PAID A STIPEND FOR THIS MEETING.

**CITY COUNCIL
LIQUOR STORE WALKTHROUGH
February 8, 2013**

The Bagley City Council met on Friday February 8th at 10:30 a.m. at the new Municipal Liquor Store.

Present: Mayor Sidney Michel, Council Members Jon Brovold, Chad Bonik, Dennis Merschman, and Clerk Treasurer Colleen Lindgren. Councilman David G. Anderson was absent.

Also present: Benji Hofstad, WSN Engineer; Street Superintendent Bill Masterson, Bob Bjorge and Matt Gordon from Gordon Construction; Les Liljedahl, First National Bank; and Chris Arnold, Liquor Store Manager.

Members did a walk through of the Liquor Store, looking at what needs to be done yet. There were still a few items that were brought to the attention of the Engineer and Gordon Construction.

Motion was made by Merschman to hold the "Punch List" meeting on Tuesday February 19th at 9:30 a.m. with a completion date of February 20th. Seconded by Brovold, passed. Hofstad stated that he would like to have Naylor's Refrigeration and the Electrical Engineer at the meeting.

Owner is responsible for putting up the shelves and a bulletin board in the entry way.

Sidewalks and paving will be done in the spring.

Signage of the building will be done at a later date.

There will be a change order for the water service added in the wine tasting room.

Council Members then went to the New Library Building to tour it with Les Liljedahl from First National Bank. Liljedahl informed the Council on what the Library Foundation has planned for the inside of the building.

Members were adjourned at 11:45 a.m.

**CITY COUNCIL PROCEEDINGS
February 12, 2013**

The Bagley City Council met on February 12, 2013 at 5:30 p.m. in the City Council Chambers.

Mayor Michel announced that the Public Hearing will be postponed until the City's Legal Counsel arrives.

Present: Mayor Sidney Michel, Council Members David G. Anderson, Dennis Merschman, Jon Brovold, Chad Bonik, City Clerk Treasurer Colleen R. Lindgren, and Deputy Clerk Faye Jacobs.

Also present: Bill Masterson, Tiffany Fettig, David Hengel, Al Rasmussen, Kirby Johnson, Allen Paulson, Cheryl Grover, Ciara Hartman, Chief Darin Halverson, Chris Arnold, Mike Jensen, Doug Lindgren and Steve Cairns.

Motion was made by Merschman to approve the Council minutes from January 8th, 17th, 28th, and February 8th. Seconded by Brovold, passed unanimously.

Al Rasmussen was present to ask the Council for approval of a Gambling Permit for the sale of the Clearwater County Fair Calendars by the Clearwater County Agricultural Society. Motion to approve the gambling permit was made by Bonik. Seconded by Anderson, passed unanimously.

Rasmussen spoke with the Council about the location of the Bagley Area Farmers Market. They have been located in the parking lot of First National Bank but there is a parking issue with the area. He asked if it would be possible to use the park area on the south edge of the City, where the Library was originally looking at for a location. The Farmers Market runs from July 19th through September, every Friday afternoon from 3 p.m. to 6 p.m. This would relieve a lot of the parking issue. They would need some electrical to the area, which they would be able to pay for. Matter will be brought up at the next regular City Council meeting.

Clerk went over the final 2012 City Budget.

Clerk gave the following recommendations to the Council on the 2012 Budget funds:

1. Transfer Fire Dept. funds into the Fire Dept. Savings - \$9,665.37
2. Park to City Park Upgrades designated fund - \$4,000.85
3. Police to 4th year COPS Grant designated fund - \$5,774.60
4. Street Dept. to 2013 Infrastructure Maintenance - \$13,164.44, 2013 supply for salt & sand - \$8,000; 2013 Capital Outlay - \$30,000.
5. Economic Development to cemetery for 2012 budget - \$561.75
6. Transfer to City Hall budget: Economic Development - \$18,231.25; Pound - \$9,457.36 and Zoning - \$2,562.01.

Motion was made by Merschman to approve the Clerks recommendations for the 2012 Budget transfers. Seconded by Brovold, passed unanimously.

Clerk reviewed the January 2013 City Receipts.

Budget reports for January 2013 were reviewed.

Motion was made by Anderson to pay the outstanding bills for the City and the Municipal Liquor Store. Seconded by Merschman, passed unanimously.

Clerk reported on the New Liquor Store Loan Account. Expenses to date are \$345,097.83. All funds borrowed from Team Industries, \$200,000, have been spent. \$145,097.83 of the loan funds from First National Bank has been spent. Expenses include: Naylor Heating & Refrigeration - \$19,500, Widseth Smith Nolting - \$42,189.59 and Gordon Construction - \$283,408.24. This leaves a balance in the loan funds of \$304,902.17. A letter has been received from Emily Johnson, Dept. of Employment & Economic Development, stated that federal revolving loan funds cannot be used for a municipal liquor store. Generally, these funds must be used for non-retail, economic development purposes and lent out to private businesses. This means that the \$200,000 that had been proposed in 2012 to borrow from the Revolving Loan Funds, cannot be. These additional funds will need to be gotten from First National Bank at a higher interest rate than was proposed in 2012, bringing payment costs up. After the payments are made to the Contractor, Engineers and Naylor Heating & Refrigeration and misc. other costs such as shelving and counter, more funds may need to be borrowed.

At this time the Cities Financial Advisor arrived and Mayor Michel closed the regular meeting and opened the Public Hearing. RE: Establishment of a Tax Increment District/Sanford Health Clinic.

Traci Ryan, Drown & Associates explained the process of setting up a Tax Increment Financing District. (TIF). The Hearing tonight is to create Tax Increment District #2-3. This will be an Economic Development District and has a statutory duration of nine (9) years of increment. The TIF Plan is what the City can legally do and not do in the District. The District has a budget of \$913,887. This does not mean that the City will spend this amount of money but it

is the maximum amount the City could spend in this district if it were generated. Administrative costs are limited to 10% of the budget but this dollar amount will not be hit with this small of a district. All findings of the district are located in the plan and a Resolution will need to be passed. There is some vacant land in the District and if this gets developed, the plan allows the City not to go through the Public Hearing process again. One condition on the Hearing put on by State Statute, is that the maximum amount of bonds issued is stated which is \$658,997. This does not mean the City will issue this amount but they have authorization to issue this amount which is the maximum amount. The Greater Bemidji/Sanford Project would not pass if the City did not create a TIF District.

County Assessor Cheryl Grover asked if it is only the two parcels of property that Greater Bemidji purchased or if there was more land included in the District. Dave Hengel stated that it would be just the two parcels which total around five acres. He stated that there is room for expansion on the site.

Mayor Michel closed the Public Hearing concerning the Establishment of Tax Increment District/Sanford Health Clinic and reopened the regular Council Meeting.

Motion was made by Brovold to approve passing Resolution #8-13 RESOLUTION APPROVING THE ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 2-3 AND ADOPTION OF THE TAX INCREMENT FINANCING PLAN RELATING THERETO. Seconded by Merschman, passed unanimously.

Traci Ryan stated that in conjunction with the TIF Public Hearing there was also notice that the City would be discussing Business Subsidy to Greater Bemidji. The assistance that the City is proposing to Greater Bemidji/Sanford Clinic will exceed \$150,000. The TIF project will be a Pay-As-You-Go Project which means that the project will be built and when it starts to pay real estate taxes, the taxes will increase and the increase will be captured by the County, returned to the City and the City will turn around and pay payments to the developer, starting in 2015 on August 15th. Construction of the building will begin April 1st and be completed by year end. Sanford must create jobs in order to go through a Business Subsidy. The cost of setting up the TIF District is being paid for by Greater Bemidji. City will be paying out 100% of the increment and not withhold anything for administrative costs. Drown & Associates do the annual TIF reports for the City. The nine year increment starts when the City receives the first increments.

Public Hearing was closed by Mayor Michel and the regular meeting was reopened.

Motion was made by Anderson to pass Resolution No. 9-13 RESOLUTION APPROVING BUSINESS SUBSIDY TO GREATER BEMIDJI, Inc. Seconded by Merschman, passed unanimously.

Public Hearing on the Health Care Facility Revenue Note was opened by Mayor Michel.

Dave Hengel, Greater Bemidji, spoke on the Tax Exempt Bank Qualified Revenue Note. This is a very easy process to go through and there is zero risk to the City. The cities Bond Counsel, Briggs & Morgan, have put together all the legal paperwork for the project. Council will be asked to pass a Resolution stating in part: The Note will be a special, limited obligation of the City. The Note shall not be payable from or charged upon any funds other than the revenues pledged to the payment thereof, nor shall the City be subject to liability thereon. No holder of the Note shall ever have the right to compel any exercise of the taxing power of the City to pay the Note or the interest thereon, nor to enforce payment thereof against any property of the City. The Note shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation. The Bond will be purchased by a number of banks in the area and then they will loan the funds to Greater Bemidji. He hopes to close the project mid-month with a ground breaking as close to April 1st as they can. The building will be 10,000 square feet in size. Sanford will lease the building from Greater Bemidji for 10 years. This will be a \$1.5 million dollar building; total project cost is approximately \$1.7 million. They will be taking care of the parking lot paving and the paving of a private drive. Merschman asked if there would be any infrastructure costs to the City. Utilities Supervisor Mike Jensen said there should not be as the developer will pay for the hookup costs.

Mayor Michel closed the Public Hearing and opened the regular Council Meeting.

Motion was made by Merschman to pass Resolution #10-13 RESOLUTION APPROVING THE ISSUANCE AND SALE OF A HEALTH CARE FACILITIES REVENUE NOTE, SERIES 2013 AND AUTHORIZING THE EXECUTION OF DOCUMENTS RELATING THERETO (GREATER BEMIDJI/SANFORD HEALTH OF NORTHERN MINNESOTA PROJECT). Seconded by Anderson, passed unanimously.

Mayor Michel called upon Doug Lindgren to speak about I CARE. A number of years ago, headed up by Leota Dahl, a group got together to work on a place for women to stay when they come out of incarceration and are able to get together with their kids. Dahl started I CARE 8 to 9 years ago and has recently sold her home to the I CARE group. The Dahl home will be called The Light House. Deb Mathews is opening up Grandma Bees at noon for those who want a meal and to visit. It is a no charge situation and is being fashioned after The Refuge in Detroit Lakes. The idea behind it is to help people who want and need it. I CARE has been funded by a \$50,000 grant through Team Foundation and another group purchased the Dahl home and donated it to I CARE. The group will have an office at Grandma Bees. Friday nights they are having dinners at Grandma Bees for anyone who wants or need it.

Clerk again went over the funding of the new liquor store. It will depend on how many funds are generated in the liquor store, on whether or not the Council will need to borrow more funds for shelving, etc. Discussion was held on who to do the inventory and when. The City Auditor has stated that if the moving date is on a Sunday, then inventory printouts would need to be done on Saturday night at closing and a complete inventory would have to be done when all items have been put in the new store before it opens. These two inventories should match. Liquor Store Manager Chris Arnold stated that hoping the printout is right. Clerk stated it should be right and questioned why it wouldn't be. Arnold said that the system has not been right since he took over. Bonik asked what it is that isn't right. Merschman stated that it has been two years since Arnold took over. Bonik asked if the inventory has not been corrected. Arnold said that he was never told exactly how to do the inventory by the auditors so he did it the way he assumed it had to be done. He said he would guarantee that the inventory system is not right on the system. Clerk stated there was an inventory done when it was originally set up, there have been quarterly inventories done and there was an inventory done when Arnold took over as manager. He said he was never authorized to do any adjustments and that he did make changes when inventories were done but there are still a lot off. Bonik said that whatever shows as a loss we will have to write it off as a loss. Mayor stated that he feels there is dead stock in the store. Auditor Nelson will meet with Arnold, Lindgren, Jacobs and some of the Council. She also recommends that the City bring someone in to do a physical inventory.

Clerk stated there are a number of items that will be needed in the wine tasting room and just general stuff to get the store set up. Arnold would like another desk for the workers when they need to check out the tills. They did this in the main office of the present liquor store but they won't be in the new store. Mayor stated that there is an older desk available. Arnold would like to buy a desk himself and have it at the store. Clerk stated that the auditor said that the purchasing of personal property and using it in the store, should not be done. Brovold asked that the small items be put on the next agenda. There are still items needed to be done in the building first. Clerk stated that City funds cannot be used to help with anything for the liquor store. Bonik said that to get the liquor store inventory corrected we need to hire someone to do it. Doors may need to be closed on the Liquor Store for a couple days during moving.

The following bills are due to be paid for the new Liquor Store:

Gordon Construction-pay application #3	\$155,259.54
Widseth Smith Nolting	\$3,000.00
Naylor Heating & Refrigeration-cooler	\$34,000.00

All three of these bills would come out of the loan funds. Motion was made by Merschman to pay the before mentioned bills for the new liquor store. Seconded by Bonik, passed unanimously.

Discussion held on additional dollars needed for items such as shelving, and equipment needed in the new store. Mayor will speak with First National Bank about additional funds.

Clerk was asked to open the bids for gasoline at the pumps. One bid was received from Bagley Coop Ethenol/unleaded and diesel all .05 cents per gallon above cost. Motion was made by Bonik to accept the bid of Bagley Coop Seconded by Anderson, passed unanimously.

Department Reports: Police Dept. - Chief Darin Halverson. New squad card should arrive in March. As for Administrative fees, he is not having much luck with responses from Depts. that do such.

Fire Dept. - New doors will be in within the next ten days. After they are put in the lights in the fire hall will be put up.

Liquor Store-Manager Chris Arnold. Inventory reduction is being done at this time. Tile is being laid in the new store and is half done. Exterior effacing is done. Doors hung, alarm system should be done by Friday, and counter has been set. Clerk stated that the "punch list" meeting will held on February 21st at 9:30 a.m. at the new liquor store. Arnold asked permission to purchase a used pallet jack from Mike Jensen for \$100.00. Motion to approve was made by

Anderson. Seconded by Bonik, passed unanimously. The Fireworks Fundraiser has been set for May 17th at the Bagley American Legion. It will start at 4:30 p.m. and go till 7:30 p.m. Bonik asked if Arnold still wants to have the liquor sales at the Golf Course this summer. Arnold would still like to do so and feels that the Golf Association also wants it. Clerk stated that the used shelving has been ordered but must be paid for before it is gotten. Motion was made by Brovold to purchase used shelving from Accent Store Fixtures in the amount of \$2,726.71. Seconded by Bonik, passed unanimously.

Parks & Recreation-Chairman Doug Lindgren. Park Board would like to recommend appointing John Sutherland and Tyler Sorensen to the Board. Motion was made by Anderson to approve putting Sutherland and Sorensen on the Park Board. Seconded by Brovold, passed unanimously. Lindgren presented a check to the City in the amount of \$1,675.00, which were ½ the proceeds from the Park Board/Hockey Assn. raffle which took place in December 2012. Motion was made by Merschman to accept the funds from the Park Board and deposit them in the City Park Upgrades Restricted Fund. Seconded by Brovold, passed unanimously.

Public Utilities-Mike Jensen, Manager. Update on Utilities activities was given by Jensen. Around 50 hookups on the Utilities Internet have been done.

City Hall-Clerk Treasurer Colleen Lindgren. The 2013 MMBA Boot Camp is being held at Breezy Point Resort on Feb 19th & 20th. No members will be attending. The MN Dept. of Revenue Property Tax Research has sent out predictions on 2014 LGA. At this point it looks like the City LGA will be dropping by \$2,680 or 0.7%. Clerk asked the Council if they want to start looking at getting the other coolers in the Liquor Store and the building sold. Mayor feels that it should be held off for a month. Members agreed.

Motion was made by Anderson to decline the Municipal Excess Liability Insurance as quoted by Lindfors Ins. Agency. Seconded by Merschman. Yes: Anderson, Merschman, Bonik, Michel. Abstain: Brovold. Motion carried.

Motion was made by Anderson to pass Resolution #11-13 A RESOLUTION APPOINTING THE COMMISSIONER TO THE BAGLEY HOUSING & REDEVELOPMENT AUTHORITY, appointing Helen Johnson to the Board. Seconded by Brovold, passed unanimously.

Motion was made by Anderson to send up to five (5) people to the Safety & Loss Control Workshop being held in Mahnommen on March 26th. Seconded by Bonik, passed unanimously.

Motion was made by Bonik to approve the Renewal of 3.2% License for LaVine's Turn Around. Seconded by Anderson, passed unanimously.

Clerk updated the Council on the Rural Water Micro Loan for the Public Utilities. Funds in the amount of \$140,015.98 have been received and they will be paid back by the Public Utilities Cable TV funds.

Small Cities Development Grant project - 10 applications have been sent out and only two have been returned.

7:30 p.m. Motion was made by Merschman to extend the meeting by 10 minutes. Seconded by Anderson, passed unanimously.

Mayor announced that he would be closing the meeting at this time for employee discussion.

Mayor reopened the Council meeting at 7:40 p.m.

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

The Bagley City Council met in special session on Wednesday February 27, 2013 at 5:30 p.m. in the City Council Chambers.

Present: Mayor Sidney Michel, Council Members David G. Anderson, Dennis Merschman, Chad Bonik, Jon Brovold, City Clerk Colleen R. Lindgren, and Deputy Clerk Faye Jacobs.

Also present: Bill Masterson, Matt Gordon, and Chris Arnold.

Mayor called upon Matt Gordon from Gordon Construction of Mahanomen. Gordon stated that he has spoken to Benji Hofstad of WSN, Bill Masterson, and Chris Arnold and he feels confident that the new liquor store "punch list" items will be completed by Friday, March 1st. He asked that the Council be available on Friday morning to finalize it and sign off. The glass for the cabinet will be coming in on Monday March 4th. With most of his contracts, he does an eleven (11) month walk through with the owners and anything the owners feel need fixing they will look at. The parking lot needs to be dug up in the spring to fix a storm sewer that the State Inspector did not pass. This will be scheduled in May. The Council would only be signing off on the interior at this time. Sidewalks and paving will be done in the spring also. The flooring will be done up to specs. Tiles have sealed and another coat of wax will be put on. Council members and Clerk will be present to go over the final punch list.

Discussion held on getting the inventory done before the new store is opened. RGIS has given the Council a contract stating that they need a 3 to 6 week notice before the inventory count. Total Register Systems put in a proposal to do the inventory on March 10th at \$175 per hour for three people to come in. They would need three people from the City also. Count could take between 4 and 10 hours. Auditor Sandy Nelson stated that inventory has to be done at the new liquor store after everything has been moved. A final inventory of the old building must be printed out after closing on Saturday March 9th. After discussion, motion was made by Bonik to check with Total Register if they can come in at noon on March 10th and the move be done on March 9th. Seconded by Merschman, passed unanimously.

Discussion was held on a motion which was made on April 19, 2012 allowing Chris Arnold to hire part-time help for the Municipal Liquor Store. Mayor Michel stated that he feels background checks should be made on all potential employees, whether they are hired for the Liquor Store or the City. Councilmembers are the ones that should be doing the hiring. Motion was made by Merschman to rescind the April 19th, 2012 motion. Seconded by Anderson, passed unanimously.

Mayor Michel closed the meeting at this time for discussion of personnel.

Meeting was reopened at 7:15 p.m.

Motion was made by Bonik to hire Tony Marty for the Street Department Crew Worker position at \$16.00 per hour with benefits, and carry over his vacation and sick leave accumulations from Public Utilities, to begin March 1st. Seconded by Merschman, passed unanimously.

Clerk will send out letters to all those who applied for the position.

Mayor Michel closed the meeting to discuss another personnel issue at 7:20 p.m.

Mayor reopened the meeting at 7:35 p.m.

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

CITY	COUNCIL	PROCEEDINGS
MARCH	1,	2013

The Bagley City Council met in special session on March 1, 2013 at 9:30 a.m. in the new Municipal Liquor Store.

Present: Mayor Sid Michel, Council Members Dennis Merschman, Jon Brovold, Chad Bonik, City Clerk Colleen Lindgren, Street Superintendent Bill Masterson, Liquor Store Manager Chris Arnold and Bob Borje, Gordon Construction. Councilman David G. Anderson was absent.

A complete walk-through of the Liquor Store was done and the Punch List was checked off on.

Discussion held on doing inventory in the new building. Clerk reported that Total Registrar cannot be here on the 10th. She questioned if the Council would want her and Deputy Clerk Faye Jacobs to do the inventory. A 2nd hand held could be requested from Total Registrar and two other people could help also. It was decided to do the inventory using four people and closing the store on Monday and Tuesday, March 11 & 12th to do so.

Nisswa Municipal is interested in the beer cooler in the old Liquor Store. Noels of Bemidji is interested in the shelves. Clerk was asked to check with the League of MN Cities to see if we can just sell the equipment outright or if we should take bids.

Motion was made by Brovold to have the Clerk advertise the cooler and shelves if League feels they should be instead of selling outright. Cooler to have a \$25,000 minimum bid or negotiates and the shelves to have an \$8,000 minimum or negotiate. Seconded by Merschman, passed unanimously.

Clerk brought up the fact that Manager Arnold had stated that he is not working on weekends which goes against policy. Arnold stated that he works during the week due to putting orders in for liquor and beer. Arnold is paid on a salary and so is to work as much as Council & store needs him. Council Members agreed and informed Arnold that he is to be working more on weekends and nights.

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

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CITY COUNCIL PROCEEDINGS
MARCH 12, 2013

The Bagley City Council met in regular session on March 12, 2013 at 5:30 p.m. in the City Council Chambers.

Present: Mayor Sidney Michel, Council Members Chad Bonik, Jon Brovold, Dennis Merschman, David G. Anderson, City Clerk Treasurer Colleen R. Lindgren, and Deputy Clerk Faye Jacobs.

Also present: Mike Jensen, Bill Masterson, Ceira Hartman, Tricia Krekelberg, Darin Halverson, Larry Peterson, Benji Hofstad, and Doug Lindgren.

Motion was made by Merschman to accept the minutes of the February 12, February 27th and March 1st meetings as read. Seconded by Bonik, passed unanimously.

Benji Hofstad, Wideth Smith Nolting was present to speak with the Council on some issues on the Liquor Store. Hofstad has put in an Amendment to the Professional Services Agreement. Item 1. Create a contract between the City and Naylor Heating & Refrigeration for the installation of a new Walk-In-Cooler. The coolers were an Add Alternate in the Bid. The City had earlier decided to work directly with Naylor's instead of Gordon Construction as the prime contractor. WSN then had to put together a contract between the City and Naylor's. Cost is \$240. Item #2. Redesign the Cooler's electrical requirements and the issuance of this document. Due to the fact the City had not yet selected the exact make and model of the Walk-In-Cooler at the time the bids were due. Cost: \$1,172.00. WSN had to redesign the cooler area when they got the information from the City. The lighting, electrical, power to the lighting and the unit all had to be redesigned. This work was all due to the City going with Naylor Electric and not through Gordon Construction. This was submitted to Gordon Construction on November 21st. Brovold asked how they could design something in the original contract when no cooler had been selected. Hofstad said that they had looked at two coolers, their electrical engineer designed around the coolers that were originally looked at for the store. They draw up parameters and then they need to change it to meet the cooler that the City wanted. Bonik argued that there was designs in the plans and if the City would have gone with one they had specked, there would not have been any redesigning. Hofstad stated that if he would have had the Naylor's specs up front when they did the plans, there would not have been any redesign fees. After further discussion, Hofstad said that he could negotiate the fee with the Council. Item #3. Change Order #3. This document increased the Contract Sum to the Contractor for the added water

service going into Multi-Purpose Room. Cost: \$250. Council had asked for this work to be done, so there was no problem with paying this amount.

Additional item #4. Electric transformer needed to be increased in size. There was an extra \$809 for restocking. Public Utilities had ordered a transformer according to the first spec plan. Hofstad had given a document to former Mayor Mark Edevold, who in turn should have given it to Mike Jensen from P.U. because he was working on the transformer and did not get it from Edevold right away after the meeting. Jensen had to reorder a transformer and the P.U. was then charged a restocking fee of \$809.00. Hofstad asked if the Council would be willing to split the cost. It was a timing issue and did not get into the P.U. Managers hands until later. Brovold feels it would be fair to split the cost being it was given to us and not gotten to the right people. Bonik stated he was disappointed in the design of the coolers and there were gaps in the design.

Council Members did not have any issues with Items #1 & #3. Hofstad would be willing to go 50/50 on items #2 and #4. Motion was made by Bonik to split the cost of these two items. Seconded by Merschman, passed unanimously.

Farmers Market - Clerk reported that the abstract has been received back from the Library Foundation on the property which the Farmers Market would like to use. Motion was made by Merschman to allow the Farmers Market to be held on the City property located near the railroad tracks, south of Galli Furniture. Seconded by Bonik, passed unanimously. A certificate of insurance will be gotten from the Farmers Market group.

Tricia Krekelberg, Gaming Manager for the Hockey Association was present to ask permission for the Hockey Association to sell Pull-Tabs at the Bowl Inn. Doug Anderson, Bowl Inn owner, will be selling the tabs in turn for getting 20% of the sales each month. Motion was made by Anderson to adopt Resolution #14-13 BFCG HOCKEY ASSOCIATION GAMBLING PERMIT to sell Pull-Tabs at the Bowl Inn pending all paperwork is received. Seconded by Bonik, passed unanimously.

City Receipts for the month of February 2013 were reviewed.

Clerk reviewed the February 2013 Budget report.

Motion was made by Merschman to pay the City and Liquor Store outstanding bills for February. Seconded by Anderson, passed unanimously.

Motion was made by Merschman to pay Gordon Construction pay estimate #3 in the amount of \$155,259.54. Seconded by Bonik, passed unanimously.

Clerk Lindgren gave a report on the new Liquor Store Construction. Motion was made by Brovold to approve payment of the outstanding bills for the new construction. Seconded by Merschman, passed unanimously.

Bruce Cox, County Land Commissioner notified the City that there are three (3) parcels of tax forfeited lands located in the City, the County will be offering at public auction. Council is being asked if they approve the sale or would like to exercise its right to purchase the property. No set dollar amounts were shown in the letter. Council must respond within 60 days. Two of the parcels are located south of the tracks where the Council has purchased other lots due to the City wells are located in this area. Clerk was asked to check into the price of the lots and bring back to the next City Council meeting.

Motion was made by Anderson to advertise for help to sell Liquor at the Twin Pines Golf Course. Seconded by Bonik, passed unanimously. Applications will be reviewed by Anderson, Lindgren, Merschman and Arnold and a recommendation will be brought back to the Council.

Bids will be opened for the old Liquor Store coolers and shelves on Monday, March 18th at 7:45 a.m. in the City Council Chambers.

Department Reports: Police Dept. Chief Darrin Halverson. Chief Halverson gave a letter of resignation to the City Council. He has accepted a position as Chief Deputy with the Clearwater County Sheriff's office. Motion was made by Anderson to regretfully accept Chief Halverson's letter of resignation. Seconded by Bonik, passed unanimously. Chief Halvorson's last day of work with the City will be March 31, 2013. Mayor asked if the Council wants to advertise in house. Sargent Larry Peterson expressed his interest in becoming Chief for the Department. Council will discuss the situation at the end of tonight's meeting.

Roads & Bridges-Street Superintendent Bill Masterson. Liquor Store approach was fixed as well as could be for now. Matt Gordon gave him some asphalt pilings. Lots of snow hauling so fuel costs is really high. Masterson is also trying out a demo loader unit.

Liquor Store. Clerk reported that one application has been received for call-in help at the Liquor Store. Motion was made by Bonik to hire Earl Larson as call-in help at the Liquor Store. Seconded by Anderson, passed unanimously. Inventory should be done in the new store tomorrow and the employees are getting all the shelves stocked. Manager Chris Arnold has said the store should be ready to open sometime Wed. afternoon.

Motion was made by Anderson to rescind his earlier motion to change the name of the Liquor Store to Bagley Spirits and change it back to the Bagley Municipal Liquor Store. Seconded by Bonik, passed unanimously.

Brovold asked about signs being put up saying they are now open at the new location. Mayor has spoken to Utilities Manager Jensen about putting up another pole to hang banners and put up some temporary lighting.

Discussion held on the people who helped move the Liquor Store. Matt Arnold also helped move with his trailer and truck. Clerk will check into possible payment with Arnold.

Park & Recreation-Doug Lindgren, Chairman. Board is moving forward with the Frisbee Golf for the Park.

Public Utilities-Mike Jensen, Manager. Minkota had power outage issues which affected the Cities power.

Jeanine Brand was present to speak on grants for the new library building. The Library Foundation has applied for a grant through Valspar for free paint to paint the inside of the building. A State Grant application is being worked on for a handicap accessible bathroom. The present bathroom does not meet ADA requirements. The grant requires the City to be the applicant. It also requires matching funds, which the Library Foundation has. Brand asked if the Council would be the sponsor on the grant. The Library Foundation has hired Lukecheck as the architect, being he was the person that built the building originally. Motion was made by Merschman to pass Resolution #13-13 LIBRARY GRANT. Seconded by Bonik, passed unanimously.

Clerk opened the bids for the garage doors at the Bagley Fire Dept. Motion was made by Bonik to accept the bid of David L. Anderson in the amount of \$826.00 for the garage doors. Seconded by Merschman, passed unanimously.

Bagley Library Board put in a request to have a new member appointed to their board. Mia Reynolds and Melanie Nelson have both resigned. Kathy Steinmetz had been appointed earlier to fill one vacancy and the board is requesting to appoint Cassie Dahl to the second opening. Motion to do so was made by Merschman. Seconded by Brovold, passed unanimously.

Clerk asked what the Council would like to do about the flower planters which are put around the City during the summer. Last year Business owners purchased the flowers and Hanson Greenhouse donated for eight (8) of the planters. Clerk was asked to send out a letter to the businesses for donations, and ask if there is anyone who would want to step forward to get hanging pots organized for 2014. Clerk will also check with Tom Beltz to see if he would water the planters again this summer. Anderson would rather not do the hanging pots and Clerk reported that this year is too late already.

Discussion was held on Airport construction for 2013-2014. A letter was received from State DOT concerning whether or not the City still plans to work on Auto Parking/taxi lane/signage for the City Airport. The State needs to have a letter from the City in order to hold funds for these projects. There are some reserved funds and the City would get reimbursed 80% on projects done at the airport. Clerk and Mayor will visit with Karvacko Engineering to see what costs would be and bring back to the next Council meeting.

Masterson said that he has spoken to airport land renter Jeff Francis about the area which was cleared off recently. Francis would like to see it more user friendly, get it disked up and he would then farm the land. Masterson will check on prices in the spring to see about costs.

7:15 p.m. At this time Mayor Michel closed the meeting for personnel issues.

Meeting was reopened at 7:30 p.m.

Clerk informed the Council that she will be out of the office March 19-22 for the annual MCFOA Conference in St. Cloud. Masterson and Lindgren will also be attending the Safety & Loss Control Conference in Mahanomen on March 26th.

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

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CITY
MARCH 18, 2013

COUNCIL

PROCEEDINGS

The Bagley City Council met in special session on March 18, 2013 at 7:45 a.m. in the City Council Chambers.

Present: Mayor Sidney Michel, Council Members Chad Bonik, Dennis Merschman, Jon Brovold, David G. Anderson and Clerk Treasurer Colleen R. Lindgren.

Also present: Sargent Larry Peterson.

Motion was made by Bonik to promote Sargent Larry Peterson to Police Chief as April 1, 2013. Seconded by Anderson, passed unanimously. Wages and benefits will be discussed at the March 27th Council work session.

COPS Grant representative has not returned the calls from the Clerk. Brovold stated that he has looked into it further also and he feels it is up for discussion if you have changes, such as the pros and cons of having a 4th officer.

Discussion was held on the old Liquor Store building and what to do with it. Should the City put it up for sale? Could it be used for the Police Department? The matter was tabled for discussion at a later date.

Mayor talked about the area of contracting with the County for Police Services. Brovold stated that he brought up the fact of contracting with the Sheriff's Dept. because during his campaign he was asked about it and he feels it is his responsibility to bring it up. He feels it would be fair to request apples for apples comparison to see where we are at. After the area of what to do with the COPS Grant is figured out would be a time to revisit it again.

Merschman asked Sargent Peterson if the use of three officers is good or bad. Peterson said that three officers cannot cover the City 24 hours. Right now with the extended work week it would cover 20 to 21 ½ per day with the Sheriff's Dept. covering the rest, with a three man dept. There is a lot going on in the City after 2 a.m. during the summer.

Discussion was held on advertising the Coolers and shelving in the old Liquor Store. Clerk will run sale ads in the Fargo Forum and Grand Forks papers. Merschman said that Chris Arnold had said that he could put it in the MBA magazine. Clerk will check to see if this was done.

Mayor informed the Council that he had someone interested in some city lots south of the tracks. This person is looking into cold storage buildings. Brovold asked about buying the County Tax Exempt lots and putting stipulations on them. Mayor will check into the lots at the Courthouse to see if the County would want to work with him or if the City should buy them to protect the City Wells.

Motion was made by Brovold to not pay the Council for this meeting. Seconded by Bonik, passed unanimously.

Brovold stated that he had been to the Liquor Store and none of shelves were labeled with prices, the multi-purpose room was full of junk and debris. It was disappointed to walk into the new store like this. This is still no signage up and feels they are missing the boat. Anderson stated he has talked to Arnold about the banners and he was going to take care of it. Mayor said he has spoken to Mike Jensen on the signage, getting some poles up and plywood for signs. Brovold asked if there was a timeline to get everything done. Members feel that Arnold needs to be working more to get everything done in the store as it should be. Discussion was held on the use of the multi-purpose room. Anderson said that there are classes there to learn more about wine and people would like it closed off. Brovold wants to see it get cleaned up more and pricing put on the shelves. Council agreed that Arnold needs to be told he has got to get the

work done by Wednesday of this week. Anderson agreed and that he needs to get it done or does not go on vacation until it is done. Mayor will speak with Arnold.

Sargent Larry Peterson thanked the Council for the promotion to Police Chief and he is open for all to speak to him and give him ideas.

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

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CITY
MARCH 27, 2013

COUNCIL

PROCEEDINGS

The Bagley City Council met on March 27, 2013 at 5:30 p.m. in the City Council Chambers.

Present: Council Members David G. Anderson, Dennis Merschman, Chad Bonik, Jon Brovold, Clerk Treasurer Colleen R. Lindgren and Deputy Clerk Faye Jacobs. Mayor Sidney Michel was absent.

Also present were Sargent Larry Peterson, Officer Clarence LaCroix, Bridget Nelson and Heather Galli.

Vice-Mayor David G. Anderson opened the meeting at 5:30 p.m.

Bridget Nelson and Heather Galli updated the Council on the All School Reunion to be held on July 3-6, 2014. They asked if it would be possible to have a link on the City Web site and were told to speak with Chris Arnold to get it set up.

Port-A-Johns - Nelson asked if the City would consider putting a number of port-a-johns around the City for the event. Areas they would look at having them located would be along the Parade route, downtown, near the County Court House, and in the City Park. Motion was made by Merschman to cover the costs of the Port-A-John for the All School Reunion. Seconded by Bonik, passed unanimously. Reunion Committee will find the locations and let the City know.

A schedule of events was gone over by Nelson and she asked if the Council had any concerns and that they would like to hear them so they can get details done. Speaking on the parade, Clerk asked that they make sure to get a parade permit from DOT. Bonik stated that they should keep in mind that if it rains on July 4th night, the fireworks would be postponed until July 5th. The Reunion Committee is trying to figure up a way for transportation of people back & forth to events. Council was asked for suggestions in this area. They plan on putting posters all over town which would advertise the times of all the events. Sunday will hold many events held in the City Park for families and kids. Discussion held on Fireworks and how many will be purchased. Council gave Nelson & Galli ideas on where to look for funding and suggests they start doing so soon.

Discussion held on the Police Chief position, which Sargent Larry Peterson has been promoted into. Motion was made by Bonik to set the Police Chief wages at \$22.00 per hour, beginning April 1, 2013 on six month probation. Peterson will be reviewed on October 1, 2013. Seconded by Merschman, passed unanimously. Peterson stated that there will be more overtime with 3 officers and there will be holes in the schedule.

Discussion was held on the COPS Grant position. According to the grant agreement, the Council did agree to have three officers along with the COPS Officer. Clerk spoke to the Federal Office and if the Council wants to go to three officers they must show why and show real physical stress on why the Council would want to not use the grant. The Council would need to show justifiable reasons why they would not be fulfilling the grant agreement. The Council could put the present COPS Grant Officer in the third officer position and hire another person to cover the grant until it runs out.

Motion was made by Merschman to advertise for the Police Department Officer position. Seconded by Bonik, passed unanimously.

Discussion was held on expansions for the City Airport. Estimated prices for an Auto Parking Project, Taxi lane, Aggregate Access Road and Airport Road Paving were received from Mike Karvakko, Karvakko Engineering. State funding for these projects would be 80/20. State also has funds available for hanger bays but site work would be covered at only 50% and the actual building share would be 80/20 with the stipulation that the City would be responsible for cash flowing 100% of the project until the certificate of Occupancy was issued. Clerk Lindgren reported that she has spoken to Street Superintendent Bill Masterson and looking at all the material it will be expensive for the City to do all the upgrades. However, they would like to see better signage along Highway 2. Anderson has spoken to Mayor Michel who is hoping that Sanford Medical Center would use the airport more, but Anderson himself does not feel there are enough funds right now to go ahead with the projects. Motion was made by Brovold to write a letter to the State Aeronautics that the City has limited funds and cannot commit to funding for these projects at this time. They would like to reserve funds to have a sign made to put out near Highway 2. Seconded by Bonik, passed unanimously.

Vice-Mayor Anderson has had discussion with Liquor Manager Chris Anderson about more competitive pricing on some of the liquors. He also would like to have one of the other employees on duty from 11 to 7 on Thursdays. Brovold said that if it is justifiable then he is not against it but it will not be a permanent change to the schedules. Bonik said Arnold is hired to manage the liquor store so why is the Council being asked to manage the labor? Instead of a set 11 to 7 schedule, if the store is dead the workers go home. Brovold would like to see him asking the Council. Anderson said that there will be lot of changing due to a larger store such as more stocking and cleaning.

Bonik questioned shirts for the workers. He thought they had shirts with their names on them. Members asked that Anderson have Arnold check into shirts through a laundry service. It would look more professional for the employees to have uniforms.

Brovold has been working on a draft job description for the Liquor Store Manager which he will bring to the next Council meeting. Assistant Manager description to follow.

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

CITY COUNCIL PROCEEDINGS
APRIL 9, 2013

The Bagley City Council met in regular session on April 9, 2013 at 5:30 p.m. in the City Council Chambers.

Present: Mayor Sidney Michel, Council Members Jon Brovold, Dennis Merschman, Chad Bonik, David G. Anderson, City Clerk Treasurer Colleen R. Lindgren, and Deputy Clerk Faye Jacobs.

Also present: Malotte Backer, Bill Masterson, Police Chief Larry Peterson, Dany Ekre, Ciera Hartman, Chris Arnold, Amanda Brustad, Jason Vant'Hull, Jared Gerbracht, and Doug Lindgren.

Mayor Michel called the meeting to order.

Motion was made by Merschman to approve the minutes of the March 12th, 18th, and 27th. Seconded by Bonik, motion carried.

Malotte Backer, Bagley Art in the Park Committee Member, was present to update the Council on Art in the Park scheduled for July 13, 2013. Entertainment will be Sonny Johnson an 18 yr. old singer from Bemidji, Gwens Dancers and Jay Jones will be doing a childrens project. Last year was a record year with 40 vendors. Art is all original art and food is done by non-profit groups. Sponsors have been the Rotary Club, Bagley Chamber and the City of Bagley. Backer asked permission to use the upper and middle shelters, baracades to block off the area and to be able to put a sign up by the City sign located on the east end of town. Motion was made by Bonik to approve Art in the Parks request for shelters, baracades and the putting up of the sign. Seconded by Brovold, motion carried.

City receipts for March were reviewed by the Clerk.

Department Budget reports for March were reviewed. Discussion held on the reimbursement for County Aid received for the upkeep of County roads in the City. Mayor would like to see these dollars go back into the Roads & Bridges budget. This will be looked at again when the 2014 budgets are begun.

Liquor Store Budget Report for March - Clerk explained the Liquor Store expense budget for 2013. This budget was made up by Arnold with changes in the insurance and audit expenses made by the Clerk. The new store loan interest and loan principal were also added in. Expenses before depreciation are estimated at \$203,052, depreciation at \$18,865 for a total of \$221,917. Arnold had estimated a Gross profit from the liquor sales at \$278,645 for a net income of \$56,728. Expenses were shown for Jan. through March with a balance of \$159,500.25 before depreciation. Also on the expense sheet was a proposed budget for 2014 where the Clerk used the budget of 2013 for expenses being those are unknown at this time for 2014. Also shown in 2014 was a line item for loan interest in the amount of \$32,492 and loan principal of \$35,296. Clerk explained that these numbers were derived from the actual numbers of the loan with Team Industries and amounts gotten from First National Bank IF the Council were to borrow all the funds currently being held for the City. This could change somewhat by the time the new Liquor Store project is completed.

Discussion held on the outstanding bills for the Liquor Store. Brovold asked Arnold if any of the bills were raising inventory. Arnold stated that it was replacing inventory and getting beer that was on sale which should last for two months. Motion was made by Brovold to pay the outstanding Liquor Store bills. Seconded by Merschman, motion carried.

Motion was made by Merschman to pay the City outstanding bills. Seconded by Anderson, motion carried.

Clerk gave a report on the new liquor store receipts & expenses. Motion was made by Brovold to approve payment to WSN for \$1,676 and Naylor Heating & Refrigeration for \$29,782. Seconded by Anderson, motion carried. Discussion was held on the Liquor Store sign. Public Utilities has taken the sign down and it can be refurbished. Sidewalks and paving will be done as soon as it dries up.

Jason Van't Hull, Amanda Brustad and Jared Gerbracht were present on behalf of the Softball Association. In 2010 the Association donated \$1,500 towards putting up lights at the Frog Pond. They realize that may never happen due to costing so much. They asked the Council to "Re-designate" these funds towards more realistic projects such as putting \$1,000 towards AGRI-LIME on the ballfields and \$500 towards the future permanent building housing restrooms and concession stand at the softball complex. Today they would also like to donate \$1,700 to the city to be designated as follows: \$1,500 towards the future permanent building at the softball complex and \$200 towards the drain tile in the Frog Pond. They are doing fund raisers to raise more funds and would also like help from the City on the project.

Brustad reported that the Park Board had put in an application and received permission to put drain tile in the field at the Frog Pond by January 2014. Funds are in their budget to work on this.

Van't Hull handed out a proposed "ultimate" plan for the permanent building. The plan looks big but it could be cut down when funds are available. There would be a slab for tables, 2 bathrooms and a concession stand. The Summer Rec and School programs would also be able to use the stand. Van't Hull feels that a lot of the work can be done by volunteers. Motion was made by Bonik to re-designate the \$1500 that the Softball Association donated to the City for Frog Pond lights, to \$1,000 for Agri-Lime and \$500 to the future Permanent Building at the Softball complex. Seconded by Merschman, motion carried. Motion was made by Bonik to pass Resolution #17-13 ACCEPTANCE OF DONATION. Seconded by Brovold, motion carried. This resolution accepts \$1,700 from the Softball Association to donate \$200 towards the drain tile for the Frog Pond and \$1,500 towards the permanent building. Van't Hull asked about getting water to the fields. Park Board members will be speaking with the Public Utilities Commission on this.

Clearwater County Land Sale within the City limits - Mayor Michel showed pictures of the lots and discussed the area where the City wells are located. There is someone looking at the lots for cold storage units. Land Commissioner Bruce Cox had told Clerk Lindgren that a cost per lot would be \$750. Zoning in the area was looked into. Motion was made by Merschman to approve the land sale of the lots by Clearwater County. Seconded by Bonik, motion carried.

Department reports: Police Chief Larry Peterson. Motion was made by Bonik to promote Clarence LaCroix to Sargent for the Bagley Police Department. Seconded by Anderson, motion carried. The new squad car should arrive any day now. 10 applications have been received so far for the Officers position. Mayor stated that he has spoken with the Federal COPS Office on the Officers Grant. If the City is putting Officer Ben Ehlers in the 3rd Officer position, the City may not have to finish out the grant program. Severance pay was paid out to former Chief Halverson, which took a chunk out of the budget. Merschman asked if the Mayor would get more information and set up a special meeting to discuss the COPS Officer position further.

Fire Dept. -Councilman Bonik reported the Fire Mens Ball was a huge success. Firemen are planning on purchasing Wild Land Bladder Bags, Stabilizing struts system, and a dash hydraulic ram. The Fire Department also received a \$10,000 donation in December so they will be replacing the gas grills for the Dept. Firemen would also like to Thank Mayor Michel for his letter of support which he put in the newspaper.

Roads & Bridges - Bill Masterson, Street Superintendent. There are a number of potholes in the streets which need to be repaired. Will be looking into getting mix to fill them. Masterson asked permission to hire Al Spring as soon as he sees fit. Motion was made by Bonik to hire Al Spring as seasonal worker, wages to be the same as summer 2012 and to require him to have a DOT physical. Seconded by Merschman, motion carried. Masterson asked the Council if they still want to do City Wide Clean Up in May. If so, he would like to set the dates. Dates were set for May 15th and 16th and Clerk will work on the advertising. Branch and Leaf pickup will be the month of May. Masterson reported that the deadline to have the Airport Obstruction Project finished is April 15th. With all the snow, he would like to see the finish date extended out. Motion was made by Merschman to extend the finish date by 30 days. Seconded by Bonik, motion carried.

Liquor Store - Chris Arnold, Manager. Arnold asked permission to purchase used shopping carts from Keith Kubiak for customer convenience at the store. Cost is \$25 per cart. Permission granted for six carts. Arnold asked permission to attend the MMBA Annual Conference, May 18-21, at Arrowwood resort, in Alexandria. Merschman stated that Arnold may have to skip it this time. Bonik asked the cost. Clerk said that it is on the back page of the flyer plus wages for employee to cover for Arnold. Arnold said that there is money in his budget for training. Anderson stated that he feels it may be informative and training is in the budget. Merschman asked if this all comes out of the Liquor Store funds, which the Clerk said it does. He then stated that the Liquor Store funds are exhausted. Bonik asked the training topics that Arnold would like to go to. Arnold stated he had not fully looked at it but the Whiskeys of the World and Training your staff to sell more wine, both on Sunday. Registration is due May 9th. Bonik asked that the matter be tabled until the 24th Council meeting to see where the checking account is and how many bills there are to be paid. Arnold asked if he could purchase another pallet jack which is shorter than the one he has already gotten. Mayor asked him to check on one with someone else until there are more funds coming in. Arnold stated that last year the Council said they were going to review his and Robert Edevolds wages in April. Two further bills for the Liquor Store were reviewed, one for Arnold in the amount of \$89.29 for supplies and one for Matt Arnold in the amount of \$600 for using his vehicle & trailer to help move the Liquor Store inventory. Motion was made by Bonik to pay these two bills. Seconded by Merschman, motion carried.

Park & Recreation-Doug Lindgren, Chairman. Board has ordered new equipment which was in their proposed budget. Frisbee Golf is on line, Jon Brovold is working with Gary Gesell on the design of the hoops. Clerk reported that the SHIP funds of \$3,000 will be received for the project and the remainder will come out of the Park Budget. Amanda Brustad has a topo map of the park and will be figuring out the location for the poles and baskets.

Clerk reported that the City Hall building is in need of repairs on the siding in the back of the building. Quotes will be gotten to fix the building.

Doug Lindgren reported that he is now on the Habitat For Humanity Board as Clearwater County Representative. Things may happen in the area to get a home built.

Animal Pound- Dany Ekre, Pound Master. Ekre stated that the Pound will be inspected soon and he would like to get a well drilled and water put into the building. Right now water is being hauled to the Animal Pound. Clerk stated that we do have two quotes from last fall. Mayor said that he will get hold with Berg Well Drilling to put in a quote and discuss it further at the April 24th meeting. Clerk has sent a fax to Anderson Well Drilling to check on their previous quote to see if there were any changes but has not received a reply.

Ekre also asked if the Council would again consider his earlier request for an ordinance with a limit on total number of animals in their homes. Clearbrook has set a limit of five animals and Gonvick three. Clerk was asked to give copies of the Clearbrook & Gonvick ordinances to the Council.

Amanda Grover/DaRoos Pizza has put in applications for a Wine License/3.2% On Sale and Sunday Liquor Licenses. DaRoos Pizza will be moving to the old S&K Bar-N-Grill building. Clerk has spoken to the State Alcohol & Gambling Enforcement Division and was told the Council can approve her to sell Strong Beer under the 3.2% On Sale License being she will have a restaurant to serve it in. License fee of \$1,000 has been received and also her Workers Comp policy. She still needs to hand in her Dram Shop Insurance Policy. Motion was made by Bonik to approve Amanda Grovers applications for Wine License, 3.2% license for Strong Beer and Sunday Liquor, pending the receipt of her Dram Shop insurance and State approval. Seconded by Merschman, motion carried.

Northwest Service Cooperative's 8th Annual Administrative Professional Day Forum will be held on Wed. April 24 at the Fireside Grill & Patio. Registration cost is \$50 per person. Motion was made by Bonik to send Clerk Lindgren to the Forum. Seconded by Anderson, motion carried.

The League of MN Cities Annual Conference & Marketplace will be held in St. Paul, June 19-21. Motion was made by Bonik to send up to two people to the conference. Seconded by Brovold, motion carried.

An update on the Small Cities Grant Program was gotten from Headwaters Regional Development Commission. A total of 26 applications have been sent out to the people who put in pre-applications earlier. Only three applications have been received back.

Motion was made by Bonik to pass Resolution #15-13 ACCEPTANCE OF DONATION, accepting a donation of \$124.30 from Mayor Michel towards the Fishing Pier Designated fund. Seconded by Merschman, motion carried.

Motion was made by Bonik to pass Resolution #16-13 ACCEPTANCE OF DONATION, accepting a donation of \$200 from Shevlin Township to the Animal Pound. Seconded by Anderson, motion carried.

Further business - Street Superintendent Bill Masterson informed the Council that he has spoken to Park Attendant Wayne Netland about the golf cart he uses to haul wood and garbage at the park. The cart is worn out and he would like to find something else to use. Masterson will look around and bring back to the Council.

Motion was made by Merschman to extend the meeting by 15 minutes. Seconded by Brovold, motion carried.

Councilman Brovold handed out a proposed job description for the Liquor Store Manager position. Brovold asked for feed back to be brought to the Council at the next meeting.

Mayor brought up raises for the Liquor Store Manager and employees, asking the Council for their opinions on what to do. Arnold stated that last year everyone else in the City got raises except he and Bob Edevold. They were told they would be reviewed in Jan. 2013. In Jan. the Council postponed it until the new store was opened. Clerk stated that Edevold got a 6 month probation in Oct. Bonik stated that he thought the Dept. Heads got 3% and the others 2% raises for 18 months. Presently Arnold is at \$3,150 per month and Bob Edevold at \$12.00 per hour. Mayor asked if the Council would want to look at giving Edevold 2% and Arnold 3%. Merschman stated that the Council can't pay wages if there is no money in the coffers. Anderson made the motion to give Arnold a 3% raise and Edevold a 2% raise, retro to January 1, 2013. Seconded by Bonik. For: Anderson, Bonik, Brovold. Against: Merschman. Motion carried.

Bonik asked Arnold about getting shirts for the employees. Arnold said that he has not gotten any, but he had a survey from MMBA which was done. Most stores buy the shirts for employees. Anderson said he would like to see denim or blue shirts for all. Members talked about 3 for Arnold & Edevold, 2 for each part-timer and a couple for the Golf Course workers. Brovold asked that Arnold get prices and bring to the Council at the April 24th meeting.

Being there was no further business to come before the Council, motion to adjourn was made by Anderson. Seconded by Brovold, motion carried.

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CITY COUNCIL PROCEEDINGS
APRIL 24, 2013

The Bagley City Council met on April 24, 2013 at 5:30 p.m. in the City Council Chambers.

Present: Mayor Sidney Michel, Councilmen Dennis Merschman, David G. Anderson, Chad Bonik, Jon Brovold and Deputy Clerk Faye Jadobs.

Also present: Police Chief Larry Peterson and Street Superintendent Bill Masterson.

Three estimates were received for putting water into the Animal Control building. Motion was made by Anderson to accept the quote of Berg Well Drilling in the amount of \$2,455 contingent on the fact that the backhoe work is included and cost covers everything to get the water flowing in the pound. Seconded by Merschman, motion carried.

Park Attendant Cart - Bill Masterson. Prices were gotten for a 4X4 to use in the park by the Park Attendants. Prices ranged from Bagley Motor Sports at \$7,399, Willberg at \$7,775, ACME at \$7,767, and Menards (2-wheel drive) at \$3,499. He feels any of them would work for the Attendants. Merschman asked if this was to come out of the Park Capital Outlay. Council felt that this matter should be run through the Park Board. Anderson made the motion to table the matter of purchasing an Attendants Cart until the Park Board can make a recommendation. Seconded by Merschman, motion carried. Brovold will bring to the next park board meeting.

Quotes were received for repairs to the City Hall building. Anderson asked if the Public Utilities Commission would be paying half of the costs. Quotes were discussed; Bonik would like to see more clarification of the quotes. Motion was made by Merschman to clarify the material on the quotes and bring back to the next Council Meeting. Seconded by Brovold, motion carried.

Motion was made by Anderson to pass Resolution #18-13 RESTRICTED FUND TRANSFER. Resolution is to transfer \$204,134 in MN DEED grant funds to the Bagley Public Utilities for the Bagley Avenue Project. Seconded by Merschman, motion carried.

Police Chief Larry Peterson informed the Council that the new squad car has arrived. A black car was ordered in error. Moose Creek can do the striping on the vehicle. Mayor asked if there was an increase in the cost of the decals. It should be the same. There will be a stripping and equipment cost. Motion was made by Brovold to pay Nelson Auto Center \$25,313.61 for the purchase of a 2013 Squad Car. Seconded by Anderson, motion carried. Motion was made by Brovold pay \$20.75 to DMV for car title transfer. Seconded by Merschman, passed unanimously.

Chief Peterson reported that Officer LaCroix was in an accident with the 2007 squad car. Estimated repair to the car is \$5,600. The City has a \$250 deductible on the insurance. The adjuster from the League of MN Cities Ins has said the car will more than likely be totaled out. Peterson said that there should be replacement insurance on the car. Brovold stated that the Council should wait for conformation on insurance options before anything is decided.

Airport Open house/Fly-In: Boy Scouts will put up the meal. Merschman volunteered to help Dennis Huwe line stuff up for this project.

City Flower Planters - one quote was gotten from Stems & Such. Quote was for \$38.00 per planter. Motion was made by Merschman to have the Clerk negotiate on the number of flowers to put in the planter. Seconded by Bonik, motion carried.

Clerk Lindgren entered the meeting at this time.

COPS Grant Officer - Mayor has gotten information that it would be best to go through with the grant because it would take a long time to get out of it. It would also be best to go ahead and hire another officer. If the Council wants to get out of the grant, they could be denied another grant for a period of time. Chief Peterson informed the Council that he has gotten 28 applications for the Officer Position opening. Two did not qualify. He will go through the applications and cut it down to 4 or 5 to interview. Appointed to the interview committee will be Anderson, Brovold, Peterson, LaCroix and Lindgren. Peterson will set up the interview date and do background checks.

Liquor Store discussion - Mayor asked Deputy Clerk Jacobs how the cash flow for the store is. Current balance is \$8,994.91 which does not include some credit card receipts. Outstanding bills are \$18,677.16 plus a payroll coming up at the end of the month. Discussion was held on the invoices which were outstanding. Mayor stated that he would vote against sending Arnold to the MMBA Conference. He feels there are chairs needed in the event room before they send him to a conference. Mayor asked for a motion on Arnold's request to attend the MMBA Conference in Alexandria on May 18-20. Motion was made by Merschman to deny Arnold's request to attend the conference. Seconded by Brovold. Motion carried unanimously.

Manager Job description was discussed. Merschman stated that Arnold was told at a meeting with the City Auditor what needed to be done. Brovold has put together a job description which should be gone over with the Manager and Council Members. Mayor asked to have a closed meeting. Merschman would like to have the Mayor and other Council listens to the tape recording of the meeting.

Jacobs is to call the computer company where the Liquor Store system was purchased and get it set so that she can get

into the system at City Hall.

Shirts for Employees - Not known if prices have been gotten yet on shirts. Coolers - Clerk reported that she had not gotten any questions or bids on the coolers. Mayor feels the Council needs to decide whether to put the building & coolers up for bids or list it.

Liquor Store sign - a quote was received from EvenAire Systems to disassembly, sand blast and resheet the sign in the amount of \$2,200. Public Utilities have helped with taking the sign apart. Motion was made by Bonik to have EvenAire fix the sign. Seconded by Merschman, motion carried. No permit is needed if it is on our right of way. Masterson will help with sign and will also help with the sand blasting of the casing. It was decided by the Council to locate the sign in the northwest corner of the lot. There is power there and it will be out of the way of snowplowing.

Applications for Bartenders at the Golf Course - Brovold and Merschman will look at the applications received and review them with Clerk Lindgren. One application has been received for part-time clerk at the Liquor Store.

Dog & Cat Ordinance - Mayor asked that members look at the sample ordinance given to them. This will be something discussed further at a work meeting.

Mayor asked if the Clerk knew anything further on the Well Drilling for the Pound. Lindgren stated that Pound Master Ekre said that he had told all the well drillers the same thing. He wanted it completely done so that he could just go in and turn on the faucet.

Clerk was asked to explain the bids on the building repair. All three bidders were told the same, to replace as it is and to give a better idea on how to repair it. There is one bid that has 3 different ideas on it. Brovold will check on the quotes more and bring back to the council at the next meeting.

Old Liquor Store building - Should the City put it up for bids or get a realtor? Merschman asked about putting the Police Department in that building. Mayor stated a roof is needed on it. Anderson would like to see the City get rid of the building. Brovold agreed that when the new Liquor Store was built it was due partially because the present store was in need of major repairs, so why is the Council even talking about it? Mayor stated that the Police Dept. needs an evidence room and they need a handi-cap ramp to be in compliance. Clerk stated that past Chief Halvorson was interested in moving the department to the building where the library is presently. Bonik asked what it would cost to refurbish the old liquor store building with a roof and garage doors. Clerk was asked to contact three bidders to see what it would take to refurbish the building. A plan needs to be worked out so the Police Chief will be contacted to see what he needs for the Police. Bonik and Merschman will speak to the Chief.

Street Superintendent Masterson said that he has spoken to MnDOT about lowering the speed limit. He feels the City does not want to mess with it. If DOT does a study on the speed limit and the study shows that cars are going faster in the present limits and are safe, the DOT could raise the speed limit.

Mayor asked that the meeting be closed at this time for employee discussion.

Meeting was reopened at 7 p.m.

Clerk was instructed to make reservation for Merschman for the League Conference in St. Paul. Mayor will get back to Clerk on whether or not he can attend. Reservations are due by May 1st.

Being there was no further business to come before the Council; motion to adjourn was made by Merschman. Seconded by Anderson. Motion carried.

CITY COUNCIL PROCEEDINGS
MAY 14, 2013

The Bagley City Council met in regular session on May 14, 2013 at 5:30 p.m. in the City Council Chambers.

Present were Mayor Sidney Michel, Councilmembers David G. Anderson, Dennis Merschman, Jon Brovold, City Clerk Treasurer Colleen R. Lindgren, and Deputy Clerk Faye Jacobs. Councilman Chad Bonik had spoken earlier that he would be late getting to the meeting.

Also present: Street Superintendent Bill Masterson, Utilities Manager Mike Jensen, Gary Gesell, Jim Schroeder, Les Liljedahl, Jeanine Brand, Amanda Brustad, Police Chief Larry Peterson, Fire Chief John Gerbracht, Firemen's Relief Treasurer Dan Hecht, Leonard Stinar and Ciera Hartman.

Motion was made by Merschman to approve the minutes of April 9th and April 24th. Seconded by Anderson. Motion carried.

Motion was made by Anderson to approve the consent agenda as follows:

- a) Approval of the 2013-14 Township Fire Contracts
- b) Hiring of Park Attendants Wayne & Rhonda Netland - step raise to \$1,700/month
- c) Hiring of park Cleaners Joan Gray & Shelly Sorenson at \$8.00 per hour
- d) Resolution #20-13 Acceptance of Donation (Parkview Club to Fire Dept. - \$20)
- e) Resolution #21-13 Acceptance of Donation (Parkview Club to Police Dept. - \$20)
- f) Resolution #22-13 Acceptance of Donation (various donations for City flower pots)
- g) Resolution #23-13 Northern Municipal Power Agency Advisor
- h) Resolution #24-13 Northern Municipal Power Agency Director
- i) Resolution #25-13 Acceptance of Donation (Moose Creek Twp. to fireworks - \$50)
- j) Resolution #26-13 Transfer of DARE Funds to Clearwater County - \$1,644.67.

Seconded by Merschman. Motion carried.

Dan Hecht, Treasurer for the Bagley Firemen's Relief, was present to ask the Council for a change in the by-laws of the relief. The Relief Association is asking the Council to ratify the by-laws to change the interest rate to retired Firemen at a straight rate of 5%. After discussion, motion was made by Merschman to approve the change to the by-laws as requested by the Relief Association Board. Seconded by Anderson. Motion carried.

Councilman Bonik entered the meeting at 5:38 p.m.

Jeanine Brand representing the Library Foundation was present to explain a resolution for the Library Grant application. The State Library Board is requesting that the Council guarantee there will be funds for the Library's match of the grant. The Library Foundation already has the funds for the project so there will be no cost to the City. Motion was made by Brovold to approve Resolution #19-13 DEPARTMENT OF EDUCATION LIBRARY GRANT FUNDS.

Seconded by Merschman, passed unanimously.

The Library Foundation has received a grant from Valspar for 40 gallons of paint to paint the inside of the building. They have also gotten funding of over \$30,000 in donations. They are still sending out letters asking for donations and hopefully by fall they will be in the building.

Les Liljedahl reported that the Library Foundation has approved to have the Art Sculpture moved out to the new library. It could be put on the hillside across from Kubiaks, and would be very visible. It is now up to the Council for their approval due to the building is now the Cities. Motion was made by Bonik to approve relocating the sculpture to the new library area, as designated by the Library Foundation. Seconded by Merschman. Motion carried. Gary Gesell informed the Council he will be pouring the cement slab for the sculpture and Creator Jay Jones will be contacted during the move of the sculpture.

First National Agency has agreed to deed over to the City 70 feet of their parking lot in order to accommodate the Veterans Memorial. Motion was made by Bonik to pass Resolution #27-13 accepting the 70 feet of parking lot in order to place the Veterans Memorial on the lot. Seconded by Brovold, passed unanimously. Jim Schroeder told the Council what the Memorial would look like and what will be on it. There will be 102 names on the memorial with 70 of those veterans that died in WWII.

Merschman reported that the Utilities Commissioners have met with Duane Holm concerning a parcel of property located near the Co-Op Oil, which the City owns. The Bagley Co-Op wants to buy the City property in order to build a storage building. The City well is located on one of the parcels. Discussion was held on splitting the property in half. P.U. suggested that if they purchase the land they need to build closer to the street. Mayor asked Surveyor Amanda Brustad if she would be able to help the City by surveying the land and dividing it in half. Merschman suggested that all costs incurred be passed to the purchaser of the property. Motion was made by Merschman to hire Brustad to survey the property which the Bagley Co-Op wishes to purchase. Parcel # R23.308.0331 and R23.308.0340. Seconded by Bonik.

Motion carried. Mike Jensen, P.U., would like to make sure the building has a cement floor and is 150 feet away from the City wells.

City receipts for the month of April were \$35,444.96.

April budget reports for the City were discussed. April expenses for the City were \$125,970.02.

April monthly receipts & expenses for the Liquor Store were discussed. Report filed at City Hall.

(Fire Chief Gerbracht, Councilman Bonik and other firemen left the meeting on a fire call.)

Motion was made by Merschman to pay the City and Liquor Store Outstanding bills. Seconded by Brovold. Motion carried.

Clerk reported the renter in the Airport House will be moving out on May 31st. Motion was made by Anderson to advertise the house for rent at \$550.00 per month. Seconded by Brovold. Motion carried. Possible Airport Caretaker position will be advertised with the house rental.

Mayor discussed the issue of barking dogs and dogs running at large in the City. Chief Peterson is already giving out warnings and citations. Discussed what can and can't be done. Peterson would like to see the City Ordinance redone and get tougher. When a dog or cat is impounded a notice is posted at the City Hall, on cable TV and at the Sheriff's Office. If no one claims the animal within five (5) days, it is either adopted out or given to a shelter. If this cannot be done, that animal is euthanized. If the animal is sick or viscous it is euthanized. If the owner claims the animal they must pay a pound fee of \$11 per day, get a license (if they live in the City) and show proof of rabies shots for the animal. If they cannot show proof of shots they must sign a form saying they will get shots within 48 hours or they will be contacted by the Pound Master. Chief and Clerk will look further into animal ordinances with cities and the League of MN Cities.

Department Reports: Fire Dept. Clerk Lindgren reported that the Fire Department's grant application to the Federal Emergency Management Agency and the Dept. of Homeland Security has been approved. Grant is for \$41,278.00 for the purchase of Turn-Out Gear for the Firemen. Motion was made by Brovold to accept the FEMA/Dept. of Homeland Security grant in the amount of \$41,278. Seconded by Merschman. Motion carried.

Police Dept.: Chief Larry Peterson. Officer Ben Ehlers has handed in his resignation to the Bagley Police Dept. Chief Peterson would like to use the same pool of applicants to cover Ehlers position. He is presently doing background checks and evaluations. This process should be done by the next City Council meeting. Brovold asked if two officers could be hired out of the pool, which Peterson agreed that this could be done. Motion was made by Anderson to regretfully accept the resignation of Officer Ben Ehlers. Seconded by Merschman. Motion carried.

The Police Dept. has a 2003 Tacoma pickup which was seized on a DUI and Peterson asked if he could put the vehicle up for auction. Councilman Merschman stated that the P.U. also has vehicles that need to be put up and the City may have other vehicles too. Matter was tabled at this time.

The new squad car needs to be set up with radio and graphics. Rogers Two Way Radio for parts and labor is \$3,338.45 and Moose Creek Graphics to strip car at \$475. Motion was made by Brovold to continue with the setup of the new squad as presented. Seconded by Merschman. Motion carried.

Clerk Lindgren reported that she and Chief Peterson have spoken to the League of MN Cities Ins. Trust on the squad car that was damaged. Council must decide whether or not to repair the vehicle. The endorsement the City has does not mean that the City would get 100% payment for replacement. The cost to repair is approximately \$4,600 with a deductible of \$250. Brovold stated that there isn't enough money in the budget to purchase a new car. Motion was made by Brovold to repair the squad car as per estimate. Seconded by Merschman. Motion carried.

Parks & Recreation-One application for a vendor in the park has been received. Board will be doing a walk through soon on what needs to be done in the park.

Zoning - Bill Masterson. Only a few property projects are going on. The Zoning Board has approved for HRDC & NWMIF to work on the City Zoning Ordinance and the Land Use Plan. Both of these are out dated. HRDC & NWMIF have funds that would help do the upgrades but if the City wants this work done they must also put in \$3,000 for the project. This would give the City better control over what is built and where they are being built. Clerk stated that there are not any funds in the Zoning Budget but there are funds in the designated funds under Economic Development which could

be used. Motion was made by Brovold to pay up to \$3,000 for the updating of the Zoning Ordinance and Land Use Plan. Seconded by Merschman. Motion carried.

Leonard Stinar was present to speak with the Council about the dog situation in town. He would like to see an ordinance restricting how many dogs people can have. He was also upset with all the deer in the City.

Fire Dept. - Chief John Gerbracht. A quote was gotten for a new furnace in the fire hall. Comfort Zone Heating & Cooling - \$2,975. Gerbracht has had the furnaces serviced and they are working fine now. He will look into more quotes with higher efficiency. Bonik would like to see the furnaces put into the 2014 budget.

The Firemen would like to get the fire trucks DOT checked but it is not required by law. Dany Ekre does inspecting for \$50 per truck. This would be covered under the repairs & maintenance of the dept.

Fire Works Training will be held in Alexandria this weekend. Gerbracht would like to send two firemen. Motion was made by Brovold to send up to two (2) firemen to the training at a cost of up to \$700. Seconded by Anderson. Motion carried.

Firemen have approved to spend up to \$15,000 on struts and a power ram for the Jaws Of Life Truck. These funds are from the Firemen's Ball.

Firemen are now looking at Turn Out Gear. Four vendors have been in to show firemen what they have and a final number will be done by next month's meeting.

Roads & Bridges - Bill Masterson. City sidewalks are being worked on with about \$12,000 being spent on such. Airport Obstruction - burn permit has been rescinded by DNR so Masterson would like to extend the finishing date to July 1st. Motion was made by Merschman to extend the Airport Obstruction completion date to July 1st. Seconded by Bonik. Motion carried.

Masterson reported on mosquito spraying in the City. Approximate cost per spraying is \$450. There are some cities that charge residents \$1.50 per month year round for this service. One city charges \$5.00 per month for six months out of the year. He would like to see the Council consider looking into this for next year. Merschman feels this would be another tax to the people if the Council was to do this. Matter will be looked at further in June.

Liquor Store - building is located right on the property line. The loading dock is 8 feet into the easement. Street right-of-way is 20 feet. Mayor stated it should have been verified before the store was built but it wasn't. A utility easement is not meant to have tar on it but the City can tar it due to they own the utilities. Permission will be needed from LuWayne Loiland, who has stated that he would give the City permission to go over the easement. Mayor stated that there are still funds in the Bagley Avenue project funds that could be used to pave Verna Street behind the Liquor Store. BBI will be tarring the Liquor Store parking lot soon, so Masterson got four different quotes from them for tarring the road: 1) \$27,825 - 24 foot wide driving lane; 2) \$25,800 - 20 foot wide driving lane; 3) \$12,700 - widen behind liquor store and block off; 4) \$10,700 widen behind the liquor store by loading dock and only behind the Liquor store. Masterson said that an answer is needed right away because BBI is almost ready to do the paving. Masterson worked with Gordon Construction to work on the sub-grade and divert water on the road for a cost of \$4,500.

Motion was made by Anderson to extend the meeting by ½ hour. Seconded by Bonik. Motion carried.

After further discussion, Amanda Brustad was asked to look into any surveying that needs to be done with the road.

Motion was made by Merschman to accept the bid proposal of BBI in the amount of \$27,825, using the 2012 Street Project funds. Seconded by Anderson. Motion carried.

Loading Dock - on the south side of the Liquor Store some work needs to be done. There is dirt on the side which is too steep to mow. Masterson asked to put in a retaining block wall back to the sidewalk. David Iverson, Fore-Ever-Green, will do all the work for a cost of \$1,500. Masterson already has retaining block at the City garage. Motion was made by Merschman to hire Fore-Ever-Green to build the retaining wall at a cost of \$1,500. Seconded by Brovold. Motion carried.

Motion was made by Bonik to hire Gordon Construction to do the upgrade and put gravel on Verna Street, with funds to come out of the 2012 Street Project funds. Seconded by Anderson. Motion carried.

Liquor Store sign - More work will need to be done to get the sign up. Poles were taken to Even Aire to have them repaired. Should be done in the next week.

Masterson asked permission to attend a seminar in Bemidji on July 29th, titled Project Management. Cost is \$159. Motion was made by Anderson to approve this training for Masterson. Seconded by Bonik. Motion carried.

Bonik would like to have the Clerk and Mayor put everything down on paper of what has happened at the Liquor Store, and mail it to Widseth Smith Nolting. He feels it is ridiculous on what has happened. Mayor asked that Councilmembers email to the Clerk what they would like to see in a letter and the City may need to have the City Attorney write the letter.

Masterson said there was also no place to put a dumpster. Gordon Construction will be putting in a place for this. Councilmembers stated that Gordon Construction has gone over and above what they needed to do. Amanda Brustad said the City should request an As Built survey be gotten.

Liquor Store - Councilman Anderson asked that all items for the Liquor store be discussed at the next meeting of the Council.

Public Utilities-Manager Mike Jensen. Jensen updated the Council on jobs the Utilities workers are doing.

City Hall-Clerk Colleen Lindgren. Lindgren asked permission to transfer \$165,000 from the City Savings to City checking account. Motion was made by Bonik to approve the transfer of funds. Seconded by Merschman. Motion carried.

Clerk reported that Cathy Hubsch, DOT Aeronautics Dept., has contacted her in regards to painting at the City Airport. Every three years the State paints the landing strip at no cost to the City. They would like to know if the City needs a spot for helicopters to land. Clerk has gotten a letter from Kirby Johnson, Bagley Sanford, stating that they would use the area if it was there. If so, the state would paint this year instead of in 2014. Motion was made by Bonik to go ahead with the painting or locating of an area for a helicopter landing. Seconded by Brovold. Motion carried.

Motion was made by Brovold to put in the second draw request for the Bagley Small Cities Development Program in the amount of \$2,744. Seconded by Anderson. Motion carried. An update on the program was received stating that three homes are presently being worked on.

Motion was made by Anderson to approve the addendum to the HRDC contract to administer the Revolving Loan Funds for the City. Seconded by Bonik. Motion carried. Hourly rate is increasing from \$55.00 to \$75.00 an hour.

Teamsters General Local Union No. 346 has notified the City that negotiations are now open with the Police Officers. Mayor Michel asked Councilman Brovold to sit in on negotiations along with him.

Street Dept. Policies guidelines were given to all members. Councilmen were asked to go through the policies and bring back any ideas to the next meeting.

Motion was made by Brovold to extend the meeting by 15 minutes. Seconded by Bonik. Motion carried.

Clerk informed the Council that when going through the quotes on well drilling for the Animal Pound, the Berg Well Drilling quote was not completely totaled out. After discussion, motion was made by Merschman to accept the quote from Anderson Well in the amount of \$3, 187.50. Seconded by Bonik. Motion carried.

Motion was made by Bonik to accept the bid from Marc Lindgren to replace the cedar siding on the City Hall with colored metal, in the amount of \$1,525. Seconded by Anderson. Motion carried.

Applications for part-time seasonal bartenders at the Golf Course will be tabled until the next meeting.

Mayor Michel said that he would like to set up a work night on what to do with the Liquor Store and for the Police Dept. Merschman asked that the Council be able to see what they get done at the May 22nd Work Session and then decide if another meeting is needed.

Being there was no further business to come before the Council; motion to adjourn was made by Anderson. Seconded by Bonik. Motion carried.

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CITY COUNCIL PROCEEDINGS
MAY 22, 2013

The Bagley City Council met on May 22, 2013 at 5:30 p.m. in the City Council Chambers.

Present: Mayor Sidney Michel, Councilmen David G. Anderson, Jon Brovold, and Dennis Merschman, City Clerk Treasurer Colleen R. Lindgren, and Deputy Clerk Faye Jacobs. Councilman Chad Bonik was absent.

Also present: Police Chief Larry Peterson, Dennis & Kathy Huwe, Street Superintendent Bill Masterson and Liquor Store Manager Chris Arnold.

Dennis Huwe reported on the Airport Open House coming up on June 8th, 10 a.m. to 2 p.m. Boy Scouts will be serving food and asking for Free Will Donations. Publicity he will leave up to the City. Those who plan on being there are the EA Chapter and the Young Eagle Flights may be but not sure. Huwe is working on getting a Ski Diver. Radio Control air planes are not for sure yet. One EA Member is working on a couple of airplanes and he may bring this so people can see how they are made. The EA Chapter is also looking at bringing some planes to have on display. Huwe is speaking to a gentleman in Park Rapids on bringing in his float plane. City is asked to line up some Fire trucks and Ambulances. Clerk reported that the Sanford Helicopter will be present if they don't get called out. KAXE Radio would like to attend to cover the event. Mayor has talked to Public TV and they may be present. David Hengel, Greater MN, has been contacted to put something up on the new Sanford Clinic coming to town. Civil Air Patrol is planning on bringing a plane. Huwe has thought that a couple free airplane rides may be given away. Huwe will try to get the DNR vehicles to come in. Masterson will be in charge of bringing barricades to help. Huwe feels that after this year the City should take a break for a year or so.

Headwaters Regional Development Commission has informed the Mayor that a vacancy exists on their board for a representative of cities in Clearwater County. They would like a name from the City Council or Mayor from our City or one of the cities in Clearwater County. Dennis Merschman volunteered to put his name up for the position.

Police Chief Larry Peterson informed the Council that he has completed background checks on the people who had been interviewed for the Police Officer positions. He asked the Council that the following two be hired for the positions. Ryan Peire for the Grant Officer position and Zach Cariel for the full time position and also hire John Sutherland as a part-time/call in Officer. Cariel and Sutherland would be able to begin June 1st and Ryan Peire to begin June 15th. Motion was made by Anderson to hire Zach Cariel as full-time officer and John Sutherland as part-time officer to begin June 1 and Ryan Peire to begin June 15th as the Cops Grant Officer. Seconded by Brovold. Discussion: Clerk stated that motion needs to reflect the wage for the Officers. Anderson amended his motion to include Officers to be set as per the base wage of the Police Dept. Union Contract pending physical and psychological reviews. Seconded by Brovold. Motion carried.

Chief Peterson has looked into an ordinance on Dogs barking. He has gotten some samples but could not really find anything on a bark control for dogs. There is a sample on progressive fines for breaking an animal ordinance. Mayor asked Chief Peterson to keep looking into ordinances. Merschman asked if the Clean Up of yards was in the Zoning Ordinance. Masterson said that he has been working on getting yards cleaned up along with Chief Peterson.

Gravel on Verna Street - Motion was made by Merschman to purchase gravel to put on the Verna Street in the amount of \$1,000. Seconded by Anderson. Motion carried.

Seasonal Part-Time Bartenders at the Golf Course - Motion was made by Brovold to hire Savannah Kaiser, Cassandra Iverson and Hannah Bloom at \$8.00 per hour. Seconded by Anderson. Motion carried. Motion was made by Merschman to set the hours as Thursday-Saturday, base hours to be noon to 8 p.m. plus Tournaments and Special Events. Seconded by Brovold. Motion carried.

Mayor Michel closed the meeting at 5:50 p.m. for Real Estate Discussion.

Meeting was reopened at 6:10 p.m.

Street Department Policies - Members were asked to look at them. They are something to build on to get policies in place. Brovold feels that they applied well to the City. Masterson stated that he had gotten most of the information

from the League of MN Cities. Wording needs to be addressed on the hauling of private snow. Will be discussed further at the next City Council Meeting.

Masterson stated that the tubes for the Liquor Store have been done and the sign will soon be completed. Paving of the parking lot will be started in the morning. Dirt work for the back side is done.

Estimates to remodel the old Liquor Store, for Police Dept. use, were discussed. Merschman stated that the City does not have any funds in the budget to do the remodeling. Members discussed putting in a handicap lift at the present Police Department. The Police Dept. is a Public Building so needs to have some remodeling done.

Mayor Michel closed the meeting at 6:25 p.m. for discussion on employment issues.

Councilman Bonik entered the meeting at 6:40 p.m.

Meeting was reopened at 7:10 p.m.

Motion was made by Anderson to have Liquor Store Manager Arnold to put a security system in at the Twin Pines Golf Course, due to the City serving Liquor at the Golf Course. Seconded by Brovold. Motion carried.

Motion was made by Bonik to allow the Liquor Store to be open on Memorial Day. Seconded by Anderson. Motion carried.

Being there was no further business to come before the Council, motion to adjourn was made by Anderson. Seconded by Merschman. Motion carried.

CITY COUNCIL PROCEEDINGS
JUNE 11, 2013

The Bagley City Council met on June 11, 2013 at 5:30 p.m. in the City Council Chambers.

Present: Mayor Sidney Michel, Council Members David G. Anderson, Dennis Merschman, Chad Bonik, Clerk Treasurer Colleen R. Lindgren, and Deputy Clerk Faye Jacobs. Councilman Jon Brovold was absent.

Also present: WSN Engineer Benji Hofstad, Street Superintendent Bill Masterson, Public Utilities Manager Mike Jensen, Liquor Store Manager Chris Arnold, Police Chief Larry Peterson, Officer Zahari Karayel, Ceira Hartman, Amanda Brustad, Richard Olson, and Doug Lindgren.

Motion was made by Merschman to approve the May 14th minutes with the following correction: The Police Dept. has a "2003 Tacoma" pickup. Seconded by Bonik. Motion carried. Motion was made by Merschman to approve the May 22nd minutes as read. Seconded by Anderson. Motion carried.

Benji Hofstad, WSN Engineer, was present to update the Council on the Liquor Store Project. Site Work punch list was gone over with the Street Superintendent and Liquor Store Manager. 3 small items need correction. Certificates of Substantial Completion were sent to Gordon's Construction. A request for final payment has been received from Gordon Construction in the amount of \$162,511.83. Hofstad recommends its payment. Motion was made by Merschman to pay the contractor the amount of \$162,511.83. Seconded by Bonik. Motion carried.

Hofstad stated that he would like to answer any questions that the Council has on the project. Discussion was held on the loading dock and the retaining wall which was put in. The design showed that there would be a gravel road behind the store and so the area close to the store was to be left as gravel. When the grading of the road was done that is when the loading dock was needed and all of this was not in the plans for the store. Merschman asked about the building being set on the property line. Hofstad stated that the past Mayor had wanted the building put back further to the property line, on the right of way line. Mayor Michel feels that WSN should have brought it to the City Council's attention. Hofstad stated that he followed what he was instructed to do. Point of contact was Mayor Mark Edevold and WSN followed his direction. Hofstad said that WSN did not make the recommendation to put the building back further.

Mayor Michel stated that the final line is that WSN should have had further meetings with the Council. Hofstad agreed but he also stated that he did follow what the boss said and it is hard to argue with the boss.

Mayor Michel asked if the corners were staked because the Council called in Brustad Surveying to find corners. Hofstad could not answer this due to the WSN surveyor was not present. Merschman asked if WSN would be willing to pay Brustad's billing. Hofstad stated that they were not consulted with or asked about the staking, they just saw it in the newspaper. Designers worked with the past Mayor Edevold and Liquor Store Manager Chris Arnold. Mayor Michel feels that WSN should have held up Mayor Edevold and met with the whole Council.

Hofstad thanked the Council for allowing them to do the project and feels that a real nice project was delivered to the Council and City. He feels that he was open on everything to the Council and stated that he was sorry for any issues that arose from the project.

Discussion was held on the City property which CoOp Elevator has asked to purchase. Amanda Brustad, Brustad Land Surveying, stated that she has done the preliminary search of the area to establish the existing property lines and boundaries. This cost is \$1,000 and the Division Survey is another \$1,000. Brustad asked if the Council wants her to proceed with putting in the corners and writing a new description. Merschman asked if this cost would be passed onto the purchaser of the property. Discussion was held on the assessed value of the property. Motion was made by Merschman to sell the property for \$5,000 which includes the cost of Brustad Land Surveying. Seconded by Bonik. Motion carried. Motion was made by Bonik to pay Brustad Land Surveying up to \$2,000 for the survey of the property (R23.308.0331 and R23.308.0340), contingent on the sale of the property. Seconded by Anderson. Motion carried.

Street Department Policies - Merschman made the motion to table discussion on the Policies until a City work meeting. Seconded by Anderson. Motion carried.

May City Receipts for May were \$38,379.92.

May 31, 2013 Budget reports were discussed. Balance of City funds equals \$1,089,305.23. Expenses paid in May were \$92,286.33. Anderson asked about the \$2,000 in designated funds for the demolition of old city garage. Bonik would like to see this used for a city salt shed.

Liquor Store monthly budget report. Mayor asked that Arnold give the Council a graph on the sales and the expenses for each month. Arnold will begin this for the next meeting. Gross profit for May was \$23,791.46. Store expenses with depreciation were \$20,264.19 for a net profit of \$3,527.27. Arnold reported that there are more sales on Thursday and Friday so he has put another four hour shift on for Fridays which he feels is justifiable. Arnold stated that he is watching it closely. Golf Course liquor will begin at the end of the week.

Motion was made by Merschman to pay the City and Liquor Store Outstanding bills, including a \$100 expense to the State Fire Marshall for Fireworks certification. Seconded by Anderson. Motion carried.

American Legion Manager Richard Olson was present to request two Temporary Liquor Licenses. One for June 22nd for service Liquor at the new DaRoo's Pizza for their Grand Opening and one for July 20 & 21st for the American Legion Softball Tournament at the City complex, serving only beer and food. Motion was made by Bonik to approve the temporary licenses for the American Legion for July 20 & 21 for the Softball Tournament and June 22nd for the DaRoo's open house. Seconded by Anderson. Motion carried.

Motion was made by Bonik to approve a dance permit for DaRoo's Pizza on June 22nd. Seconded by Anderson. Motion carried.

Department Reports: Police Dept. Chief Larry Peterson. Chief Peterson introduced Officer Zahari Karayel to the Council. Chief Peterson stated that a \$1,000 grant for radio communications was received from Enbridge Energy Co. Peterson asked if the City was planning on having a vehicle auction. He has the Tacoma pickup and one old squad car that could go on it. Mayor Michel would like to have information for the next Council meeting. The Street Dept. may have some vehicles also. What to do with the old Liquor Store will also be talked about that night.

Liquor Store: Manager Chris Arnold. Councilman Merschman asked Arnold if the old store has been completely cleaned out. Arnold stated that he still has some stuff in the store such as shelving. The cooler will need to be looked at by the Council. Liquor Store sign should be lit up by next week. Mayor asked if chairs had been checked on. This is to be done before the next meeting. Arnold stated that Moose Creek Graphics is checking into letters for over the entryway of the store.

Park & Rec Board: Chairman Doug Lindgren. Park Board has decided to hold off on the purchase of a golf cart at this time. The old bathroom will be shingled soon. SHIP funds in the amount of \$3,000 will hopefully be coming in soon and then the baskets for the Frisbee Golf will be ordered. Amanda Brustad stated that Welcome signs have been put on the Frog Pond fence courtesy of a donation by the Twin Cities Area Bagley Alumni. Mayor Michel asked if the Board would discuss at their next meeting to put tin on the roof of one of the picnic shelters and the Lions Group would help put it on.

Zoning: Bill Masterson. Small projects going on and one demo of a building.

Fire Dept.: Chad Bonik. Turn Out Gear is being purchased. There are some funds in the truck/equipment savings account. ISO Insurance Agent inspected the station, trucks and what the fire members can do with the equipment they have. This inspection sets the rating for the dept. Everything was positive. A. Brustad informed the Council that Bemidji is hosting the 2013 State Fire Convention on June 20-22. Cost is \$160. She would like to attend plus put a vehicle in the parade. Motion was made by Merschman to send up to five firemen to the conference. Seconded by Bonik. Motion carried. Bonik said the sirens are all working and is wondering if the Council wants to start doing storm testing during the summer. An ad should be put in the paper, the Shopper and Cable TV for the testing to be done on the first Wednesday of each month at 1 p.m. Emergency Management will be contacted on what information should be put out to the residents. Merschman would like to see the plan before anything is put in the paper or approved.

Public Utilities: Manager Mike Jensen. Jensen also worked with the ISO Insurance Man. The water system was checked and he will be coming back this week on Fire Hydrant testing. Better rating of the system should be gotten when he is done. Jensen reported on activities of the utilities employees.

Roads & Bridges: Superintendent Bill Masterson. Airport house needs some repairs done such as the baseboard heaters. Ductwork in the house is not designed well for the house. The price to replace the 6 electric baseboards would be \$888. Motion was made by Merschman to get the house ready for renting by replacing the baseboard heaters. Seconded by Anderson. Motion carried.

Lake beach area will be treated on June 14th.

Two prices have been gotten for a Salt Shed. Material only: Westwood 28X34 - \$6,270. Also B&M Supply 28X34 - \$7,670. Masterson will get prices for labor to build the building by the next Council meeting.

City Hall: Clerk Treasurer Colleen R. Lindgren. Clerk reported that in July 2012 Fireman Brant Melbo had injured his hand during one of the fire calls and he had to have his wedding ring cut off in order to work on his finger. Fire Chief Gerbracht asked if the City would pay for getting Melbo's ring fixed. Cost is \$88.40 to repair. Motion was made by Anderson for the City to pay for the repair of Melbo's ring. Seconded by Bonik. Motion carried. Sanford Clinic will be having a ground breaking ceremony on June 26th at 3:30 p.m. All Council Members are invited to attend.

City Auditors will be asked to attend the City Council Meeting held on June 26th at 5:30 p.m. to go over both the Public Utilities and the City Audits for 2012.

Motion was made by Anderson to approve the Council to commit to, pending Northwest Minnesota Foundation Funding, an additional \$2,000 (\$3,000 committed at earlier meeting) for the completion of a Land Use plan and zoning ordinance update as the HRDC presented to the Zoning Commission. Seconded by Bonik, Motion carried. Motion was made by Anderson for the Count to authorize that an application be submitted, with the help of the HRDC, to the Northwest Minnesota Foundation for \$10,000 to complete a Land use plan and zoning ordinance update as the HRDC presented to the Zoning Commission. Seconded by Bonik. Motion carried.

Motion was made by Merschman to pass Resolution #28-13 ACCEPTANCE OF DONATION. Seconded by Anderson. Motion carried. Resolution accepting funds for Fireworks - Holst Twp. \$100.00 and Reva Anderson/D&R Café for \$100.00.

Motion was made by Merschman to pass Resolution #29-13 ACCEPTANCE OF DONATION. Seconded by Bonik. Motion carried. Resolution accepting donations from RiverWood Bank and Bagley Senior Center towards flower planters.

Motion was made by Merschman to pass Resolution #30-13 TRANSFER OF DESIGNATED FUNDS. Seconded by Anderson. Motion carried.

Motion was made by Merschman to pass Resolution #31-13 TRANSFER OF DESIGNATED FUNDS. Seconded by Bonik. Motion carried.

Motion was made by Merschman to pass Resolution #32-13 TRANSFER OF RESTRICTED FUNDS. Seconded by Bonik. Motion carried.

Motion was made by Merschman to approve a draw in the amount of \$14,000 from the DEED Office for the Small Cities Grant Program and to pay the bills when the draw is received. Seconded by Bonik. Motion carried.

Discussion held on Airport hangar space. At the open house there were up to three pilots looking for hangars to rent. Council talked about what a cost would be to charge. Mayor stated that the City would have to come up with 50% of the dirt work and whether the City could do the dirt work ourselves he did not know. Clerk stated that when state funds are being used, you need to use a contractor. Mayor wondered if the City had to have a cement floor. Merschman asked if the City leased the land and the pilots build their own, how does it work. One of the pilots talked like he wanted to build his own. How far can the City go without hiring an engineer? What exactly can pilots put in the hangars? Motion was made by Bonik to move ahead with checking into the hangar bay project. Seconded by Anderson. Motion carried.

A letter has been received from the MN Dept. of Transportation/Office of Aeronautics stating the proposed Access Road Paving is prioritized to potentially receive a SFY 2014 grant for the eligible portions of the project. In the 2013 Airport Budget there are funds in the amount of \$11,200.

Motion was made by Merschman to extend the meeting by 15 minutes. Seconded by Bonik. Motion carried.

Access road is an 80/20 plan for payment. Clerk showed Council a map of the proposed road area. Access road estimate is \$62,000. Road would be on the right side of the AD building. Mayor stated that the road could be stalled for a time. Merschman stated that according to the letter the project would then be put to the bottom of the list. Funds are available at this time. A new estimate for the road should be gotten through Karvakko Engineering. Mayor said that Karvakko was pretty comfortable with the price he gave the City. Merschman said that if it is in the 2013 Budget he would say yes goes ahead but if we can't fit it in then no. Bonik said the road needs to be moved so it is not in with the car traffic.

Mayor asked that Thank you letters be sent out to all those who participated with the Airport Open House. Specifically Dennis Huwe, the Boy Scouts, Bemidji Aviation, Sanford, and the Street Dept. and crew.

Clerk said that on the CIP it shows the estimate to be \$62,000 to construct the access road at an 80/20 share. Motion was made by Merschman to have Karvakko Eng. obtain bids on the access road construction. Seconded by Bonik. Motion carried.

Mayor and Merschman will go through the old Liquor Store to get an idea on what to do with the building, sell it outright or put it up on bids. The cooler in the store will also be checked on.

Members will look at the vehicles and machinery which could be sold on bids, at the next meeting.

Discussion on funds raised for fireworks. Clerk reported that \$2,250 was raised at the Wine & Beer Tasting event. Bills have not been paid out of this amount yet and the C&C has not given any funds to the City yet. Fireworks need to be ordered now. Anderson feels that the City should order up to \$3,500. Motion was made by Bonik to spend up to \$3,000 on Fireworks for this year. Motion carried.

Arnold said that the Vendors were wondering about doing a Fall Event instead of a Spring event. This will not compete with any of the other events going on.

Clerk informed the Council that one of the applicants for serving Liquor at the Golf Course will not be able to work. Shannon Carter, who worked for the City last summer, has stated that she would be available to work. Motion was made by Merschman to hire Shannon Carter for temp. summer help to bartend at the Golf Course. Seconded by Anderson. Motion carried.

Motion was made by Anderson to allow Arnold to hire temporary help to bartend at the Golf Course until the next Council meeting. Seconded by Merschman. Motion carried.

Being there was no further business to come before the Council, motion to adjourn was made by Merschman. Seconded by Anderson. Motion carried.

CITY COUNCIL PROCEEDINGS
JUNE 26, 2013

The Bagley City Council met in a joint meeting with the Bagley Public Utilities Commission on June 26, 2013 at 5:30 p.m. in the City Council Chambers.

Present: Mayor Sidney Michel, Council Members David G. Anderson, Chad Bonik, Dennis Merschman, Jon Brovold, City Clerk Treasurer Colleen R. Lindgren, Deputy Clerk Faye Jacobs, Commission Members Andy Simons, Mark Edevold and Utilities Office Manager Vicky Fletcher.

Also present: City Auditor Lisa Jones, Street Superintendent Bill Masterson, Police Chief Larry Peterson and later in the meeting Mr. & Mrs. Taylor White attended.

Lisa Jones, Auditor with Miller McDonald, presented the Public Utilities Audit. Audit was approved as reported by their members.

Utilities Commissioners adjourned their portion of the meeting and left the meeting.

Lisa Jones next presented the City Council with their 2012 City Audit. Jones reported that all material was fairly presented and there was nothing new in the notes. Liquor Store Net profit for 2012 was \$28,275 after a \$15,000 transfer to the City of Bagley. There were no findings of non-compliance. Motion was made by Bonik to accept the 2012 Audit report as done by Miller McDonald. Seconded by Anderson. Motion carried.

Motion was made by Anderson to accept the June 11th Council Meeting minutes as written. Seconded by Merschman. Motion carried.

Applications for the Renter of the Airport House and Caretaker position were discussed. Motion was made by Bonik to accept the application of Ryan Pierre for renter of the house and also as Caretaker for the airport beginning July 1st. Seconded by Merschman. Motion carried. Motion was made by Bonik to pay Pierre \$9.50 per hour for the Caretaker position. Seconded by Brovold. Motion carried.

Sale of City owned vehicles. Utilities Manager asked that the items be advertised in the Fargo paper due to the fact he had a boring machine which he feels should sell better in that area. Items will be advertised sell as is and the City will reserve the right to refuse any and all bids. Public Utilities has three items: Chevrolet 3500 Chaises only; Ditch witch model 1410 walk behind trencher and Ditch witch directional bore machine. Street Department: 1980 F8000 truck, 1985 F7000 truck, generator with welder, 6" water pump with 6 cyl. eng., cycle grinder, 110 water tank with Briggs & Stratton eng and a small gas generator. The Police Dept. has a 2000 Toyota Tacoma truck and a 2005 Ford Crown Victoria. Advertising was discussed. Motion was made by Anderson to put a minimum bid of \$2,500 on the 1980 Truck and \$3,000 on the 1985 truck, sell all other items as is and the City has the right to refuse any and all bids. Seconded by Bonik. Motion carried. Clerk checked into the Police Dept. vehicles. The 2000 Toyota Tacoma is 4WD with 134,000 miles, 6 cyl., manual, with tool box. Trade-in value is \$5,450 and if it was on a dealer lot it could cost up to \$7,700. Motion was made by Brovold to put a minimum bid of \$5,000 on the Toyota Tacoma and \$2,000 on the 2005 Ford Crown Victoria. Seconded by Anderson, passed unanimously. Advertising will be done on the City Web site, Craig's List, local papers and other News Papers around the area. Bids to be due at City Hall by August 9th and open at the August 13th City Council meeting.

Discussion held on credit card machine at the Liquor Store. Cost for a terminal from the present place we have a machine through is \$261. This would be a second terminal for the tills. Motion was made by Bonik to purchase a credit card machine for \$261. Seconded by Merschman. Motion carried.

Liquor Store ice machine has been fixed.

There have been problems with the water softener at the Liquor store. Mayor will check into this.

Arnold asked to have a TV/cable at the Golf Course Liquor area. Anderson stated that he would donate a TV if wanted. Merschman stated he also has one. Clerk reported that the cost would be \$38.00 per month per TV. Motion was made by Bonik to not have any TV's at the Golf Course. Seconded by Merschman. Anderson asked for discussion to amend the motion to have the Golf Association pick up the monthly cost and he will donate the TV. Bonik retracted his motion. Anderson made the motion to ask the Golf Association to pay the monthly and he will donate a TV. Seconded by Bonik. Passed unanimously.

Sale of the old Liquor Store was discussed. Mayor and Councilman Merschman had done a walk through and study and came up with the following numbers: \$45,000 for the building and \$12,000 for the cooler. Could be bid separately or together. Person who purchases the cooler must remove it themselves. Motion was made by Bonik to advertise the building for \$45,000 and the cooler for \$12,000. Seconded by Merschman, passed unanimously.

Discussion on chairs for the event room at the liquor store - tabled until later date.

Enbridge Survey - Enbridge has been asked for permission to cross City Airport Land to be able to survey their line which goes across City property. Property is rented out to Jeff Francis. Francis is not allowing Enbridge to cross his property which he has in crops and where his cattle are. Francis would appreciate it if the Council were to tell Enbridge not to go across the property that he leases. He does not want stakes, flags or digging holes where his cattle are or where he will be cutting hay. Mayor stated that a new line will be going through the area. Bonik said to ask them not to leave any stakes or holes. Merschman said to ask them to hold off till fall. Masterson will work with Enbridge. Mayor will speak with City Attorney Rasmussen.

A letter was received from Karvako Engineering concerning an amendment to the 2011 A/D Building project for the City Airport. Karvako is putting in a request to be reimbursed for all the time he spent trying to connect, get material, and get work completed by the construction company who got the bid to construct the Arrival Departure Building at the Airport. Additional costs Karvako incurred were \$2,000. These fees are eligible for 80% reimbursement from the State. There are additional funds remaining in the grant to cover these costs. Brovold stated that, in opposition to paying the billing, Karvako needs to realize that when they take these jobs on they need to realize that they take the risk of contacting the contractors and getting everything done. Bonik said they did get a pretty good price for the work they did.

Discussion was held on a letter of recommendation from Karvako Engineering concerning the 2011 A/D Building Project Closeout status. In accordance with the contract documents, the project has never been fully completed by the Contractor Duane Lewis, Universal Builders & Woodworking, LLC. Amount remaining to be paid to the contractor (retainage) is \$5,343.95. If the City is willing to accept that the punch list of items will not be completed by the Contractor, Karvako Engineering recommends the City notify the State Department of Aeronautics that the project is complete. Motion was made by Merschman to tell the State that this project is done as recommended by Karvako Engineering. Seconded by Anderson. Motion carried.

Councilmen Brovold, Merschman, and Clerk Lindgren met with Karvako Engineering. Karvako recommends that the City do a feasibility study on the airport. The State looks favorably on a study which will bring everything up to date and will show what the City is hoping to do at the Airport. In order to keep going forward with airport projects, Karvako Engineering would do a study for the cost of around \$2,500 which 80% could be refunded by the State Aeronautics Dept. Motion was made by Anderson to contract with Karvako Engineering to do a feasibility study. Seconded by Brovold. Motion carried.

Janitorial Cleaning Contract was discussed. Motion was made by Brovold to approve the cleaning contract with Michel Enterprises for a cost of \$425.00 plus tax each month. Seconded by Bonik. For: Brovold, Bonik, Anderson, Merschman. Abstain: Mayor Michel. Motion carried.

The 2013 Coalition of Greater MN Cities will be held on July 24th - 26th at the Bemidji Sanford Center. Motion was made by Brovold to send up to two people to the 2013 CGMC Summer Conference in Bemidji. Seconded by Anderson. Motion carried.

Clerk announced that the Library Foundation Grant application has been accepted and \$20,000 will be received for doing updates in the new library location. Clerk will attend a meeting on July 2nd at 6:10 p.m. and the new library, to go over the specifics with the library foundation. Councilmembers have been invited to attend the meeting also.

Motion was made by Anderson to extend the meeting by five (5) minutes. Seconded by Merschman. Motion carried.

Merschman will report on his attendance at the League meeting in Mpls. at the next meeting.

Being there was no further business to come before the Council, motion to adjourn was made by Anderson. Seconded by Brovold. Motion carried.

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CITY COUNCIL PROCEEDINGS
JULY 9, 2013

The Bagley City Council met in regular session on July 9, 2013 at 5:30 p.m. in the City Council Chambers.

Present: Mayor Sidney Michel, Councilmen David G. Anderson & Jon Brovold, City Clerk Treasurer Colleen R. Lindgren, and Deputy Clerk Faye Jacobs.

Councilmen Dennis Merschman and Chad Bonik were absent.

Also present: Street Superintendent Bill Masterson, Ciera Hartman, Police Chief Larry Peterson, Gwen LaVine Brown, Fire Chief John Gerbracht, and Laura Dropps.

Motion was made by Brovold to approve the minutes of the June 26, 2013 meeting. Seconded by Anderson. Motion carried.

Motion was made by Brovold to approve the Bagley High School Home Coming Parade application with route as provided. Seconded by Anderson, passed unanimously.

June City Receipts were reviewed.

Gwen LaVine Brown was present to speak about activities for the Farmers Market. Brown asked if it would be possible to block off some streets in order to have an area for children to ride bike, skate board and roller blade while parents are involved with the Farmers Market. The Farmers Market will be held just south of Galli Furniture and she is asking that a number of the streets be blocked off. Her group would patrol the area with flaggers. The route would be approximately 1/3 to 1/2 mile long. This would take place each Friday for 9 weeks, from 3 p.m. to 6 p.m. starting July 26th. Route will not include the Stock Yard road. go over the railroad tracks, or go close to Hwy. 2. Brown still needs to meet with her committee. Brown was instructed to check into insurance for the project and get more information to Clerk Lindgren before the July 24th Council meeting.

Brown also brought up the City Web Site stating that the City Web site is not being kept up. The Chamber has been investigating getting their site, but Brown asked if the Council would be willing to work together in getting the City Site updated and to add business's on it. She asked what if all the organizations were willing to put in dollars to pay one web master. Brown introduced Laura Dropps, who is presently doing work on web sites.

5:50 p.m. Councilman Chad Bonik entered the meeting.

Clerk Lindgren said that Chris Arnold is the one that has worked on the site and he would need to give up the passwords and such for Dropps to take it over. Clerk Lindgren has done some updates and keeps up the Community Calendar. Brown explained how all the businesses that pay Chamber dues could have a link off the City site. Laura Dropps said that she would be willing to work on the City site and keep it up. She would also like to put a link on that shows what animals have been picked up and put into the City Pound. Motion was made by Bonik to use \$1,000 out of

the Economic Development funds to contract with Dropps for one year to work on the City Web Site. Seconded by Anderson. Motion carried. Dropps was instructed to meet with Clerk Lindgren to go over the site.

June 2014 City Budget reports were reviewed. Balance of funds is \$1,397,541.70. Income for June was \$390,009.36. Expenses for June were \$141,125.90.

June 2014 report for the Golf Course was reviewed. Net profit for the month is \$58.17. Liquor Store report was reviewed. Net income after depreciation for the month is \$3,875.32 and year to date is \$14,902.15. Discussion held on the Liquor Stores water softener. Brovold will speak with Arnold on this. Clerk stated that the ladies who play golf on Wednesday have requested that the bar at the Golf Course be open. Arnold has an employee that will be willing to work at the course and help at the Liquor Store as a call-in.

Motion was made by Anderson to approve paying the City and Liquor Store outstanding bills. Seconded by Bonik, passed unanimously.

Department Reports: Fire Chief John Gerbracht. The SCBA air tanks and masks need to be flow tested. It is recommended to be done every year. It cost approximately \$1,000 for the testing. Motion was made by Anderson to approve the testing get done right away. Seconded by Brovold, motion carried. The FEMA grant is being worked on by purchasing the turn out gear. 21 sets are needed at a total cost of \$49,397.02. The grant will cover \$41,200 and so \$8,200 plus tax will be needed. Motion was made by Anderson to pass Resolution #38-13 to transfer up to \$12,000 from the Fire Dept. restricted funds to the Fire Dept. capital outlay. Seconded by Bonik, motion carried. Motion was made by Anderson to allow Chief Gerbracht to spend up to \$12,000 for the remainder of the turn-out gear costs. Seconded by Brovold, motion carried.

Police Chief Larry Peterson. New Officers have been trained in and are working well. Chief has been contacted about helping with the patrolling of the Clearwater County Fair. There are only three members of the Sheriffs Reserve working and so they need more help. Officers will be helping out on Friday and Saturday of the fair. Chief Peterson asked to send Officer LaCroix to a Background Class in Crookston on July 23 & 24. Registration cost is \$200. Motion was made by Brovold to send Officer LaCroix to the class. Seconded by Anderson. Motion carried. Chief was also contacted by the Clearbrook Police Chief concerning their application for a COPS Grant. Being Officer Sutherland works for the City of Bagley, would the City be willing to pay for his education due to the City being the primary employer, if the grant goes through. The credits are done through both the City and the County. Motion was made by Bonik by to transfer John Sutherland education cost to the City of Bagley pending the receipt of the COPS grant. Seconded by Anderson, passed unanimously.

Zoning-Bill Masterson. There is one new home going up in the City behind Triangle Sales, a few sheds plus some letters have gone out to those that need to clean up their yards. The dirt work bid was awarded for the Sanford Clinic so that should be started soon. A Public Hearing will be held on July 22nd.

Liquor Store: Anderson reported that Arnold would still like to get a small pallet jack for the Liquor Store. Motion was made by Anderson to allow Arnold to purchase a small pallet jack for \$275 plus shipping. Seconded by Bonik. Motion carried. Employees are now wearing uniform shirts at the Liquor Store.

Roads & Bridges-Bill Masterson, Superintendent. Masterson had a meeting with Gordon Construction and the State Inspector at the Liquor Store, concerning the storm sewer. Final punch list was signed off. Retaining wall area will be finished soon and Arnold has said that he is fine with the front doors.

Airport piles of brush have been burned. Final payment papers are not in yet. Enbridge will be doing surveying on the airport land. When they come in they must get hold of Masterson or renter Jeff Francis before going on the property. Salt Shed - three prices have been gotten for the shed only. Westwood Building and Hillside Lumber were close, both around \$8,000. B&M Supply was higher. He has not gotten a price on the construction of the building yet. Some trees have been taken down where the fireworks are let off. Painting of parking stalls and streets will be started soon.

Masterson asked that Tony Marty be given a raise of \$1.00 per hour. He has worked for the City over 3 months. Bonik asked if he had been put on six month probation and if there were funds put into the budget for this. Clerk will need to go back in the minutes to make sure. Mayor asked that Masterson bring this back to the Council at the July 24th meeting.

City Hall-Clerk Colleen Lindgren. Motion was made by Bonik to have the Mayor sign the Liability Coverage Waiver Form. Seconded by Anderson. Motion carried.

Mark Stinar has put in an application for a Transient License. Clerk went over the Transient license Ordinance. Stinar

asked if the \$25.00 fee could be waived. Stinar stated that he would be putting his stand on the Headwaters Meat lot and he would be purchasing his meats from them also. Brovold said that Stinar had told him that Fosston has an Annual fee of \$100 per year but he has not checked that out. Mayor told Stinar that the Council may have to look into this further and give him an answer after another meeting was held. Clerk was asked to check out what other cities do and get some information from the League of MN Cities. Anderson stated that he would like to have some kind of idea of how many days he is going to have this stand open. There are new owners of business's in town that are trying to make a go of it, and keep the \$25.00 a day limit on it. He has no problem with an event thing but he does when he just opens up anytime. Matter will be tabled until the July 24th meeting.

Motion was made by Brovold to approve the Bagley Land use Plan & Ordinance Update Contract with Headwaters Regional Development Commission. Seconded by Anderson, passed unanimously.

Discussion was held on a letter received from Ehlers & Associates Financial Advisor Todd Hagen. A contract for Limited Continuing Disclosure Reporting Services was looked into. This contract would engage Ehlers to provide ongoing continuing disclosure reporting services in accordance with Securities and Exchange Commission Rule 15c2-12. Ehlers have done all the bonding work for the City in the past. Council asked the Clerk to check into this further and get a better ball park cost. This will be brought back to the Council at the next meeting.

There will be a training held on July 31st in Thief River Falls on the Patient Protection & Affordable Care Act and the MN Insurance Exchange. Clerk was asked to check with the Cities Insurance agent of record for the Cities Health Ins.

A fourth draw request was received from Headwaters Regional Development Commission, in the total amount of \$37,175, for the Small Cities Grant Program. Bills are: Steve's Quality Builders LLC-\$12,815; Frenzel Construction Inc. - \$23,500; Sathre Title & Abstract Inc. -\$160 and NW MN Multi-County HRA-\$700. Motion was made by Brovold to approve payment of the fourth draw request for the Small Cities Grant program. Seconded by Anderson. Motion carried.

Motion was made by Brovold to pass Resolution #33-13 ACCEPTANCE OF DONATION. Seconded by Bonik. Motion carried. (Acceptance of \$200 to Bagley Beautification from Lorraine Bestul family).

Motion was made by Brovold to pass Resolution #34-13 ACCEPTANCE OF DONATION. Seconded by Bonik. Motion carried. (Acceptance of \$1000 from Enbridge for Police Dept. communication equipment).

Motion was made by Brovold to pass Resolution #35-13 ACCEPTANCE OF DONATION. Seconded by Bonik. Motion carried. (Acceptance of \$3000 from Clearwater County SHIP for Frisbee Golf in the City park).

Motion was made by Brovold to pass Resolution #36-13 RESTRICTED FUND TRANSFER. Seconded by Bonik. Motion carried. (Transfer of \$2000 from old city garage demolition fund to Roads & Bridges capital outlay).

Motion was made by Brovold to pass Resolution #37-13 AMERICAN LEGION POST #16 BINGO PERMIT. Seconded by Bonik. Motion carried.

Mayor brought up the fact that there is interest in the Kastner Addition lots which the City owns. Mayor asked that Council think about what they would like to do with the lots and a meeting on this will be held at a later date. Clerk will bring a map and the present assessments due on each lot to the next Council meeting.

Budget work nights. Department heads were asked to get their "wish lists" together for the July 24th meeting. Meetings will be held on August 20th and September 3rd at 5:30 p.m.

Further business - Street Supt. Masterson stated that Officer Pierre has moved into the airport house. Clearbrook Electric has gotten the baseboards in and has put a new LED light in the airport windsock.

Mayor Michel closed the meeting for Real Estate discussion at 7:20 p.m.

At 7:30 p.m. Councilman Anderson made the motion to extend the meeting by 5 minutes. Seconded by Bonik. Motion carried.

Mayor Michel again closed the meeting for Real Estate discussion.

Meeting was reopened at 7:35 p.m.

Mayor reported that he and Clerk Lindgren had met with a member of the Greater MN Cities group. He reported that LGA should be increased as kept at that.

Clerk reported that the Library Foundation will be meeting on July 11th at the new location. The architect will be attending the meeting.

Being there was no further business to come before the Council; motion to adjourn was made by Anderson. Seconded by Bonik. Motion carried.

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CITY COUNCIL PROCEEDINGS
JULY 24, 2013

The Bagley City Council met on July 24, 2013 at 5:30 p.m. in the City Council Chambers.

Present: Mayor Sidney Michel, Council Members David G. Anderson, Dennis Merschman, Jon Brovold, and Chad Bonik. Also present: City Clerk Treasurer Colleen R. Lindgren and Deputy Clerk Faye Jacobs.

Also present were Fire Chief John Gerbracht, Street Superintendent Bill Masterson, Police Chief Larry Peterson, Duane Holm, Jeanine Brand, Officer Clarence LaCroix and John McMahon.

Discussion was held on an application for Variance for Bagley Cooperative Association. Mayor Michel stated that the proposed building is to be built within the property line or right up to the right of way. The roof line will need to fall within this area. The present building will be back 8 feet further on the lot than the other buildings. Motion was made by Merschman to approve the variance for Bagley Cooperative. Seconded by Anderson. Motion carried. Stipulations are pending payment for the lots, dry storage only, and the zoning board is allowed to do periodic checks to make sure it is kept only as dry storage.

John McMahon, Karvacko Eng. was present to speak with the Council on road issues at the City Airport. Three different road plans were discussed. 1: paved access road w/Alternate #1, 2 & 3 - \$63,443.30. 2: Aggregate access road - \$23,917.50 and 3: Taxi lane Rehabilitation - \$17,162.50. Total improvement cost of all 3 improvements: Total opinion of probable cost: \$104,523.30. 80% state match: \$83,618.60 and 20% local match: \$20,904.70. DOT Aeronautics wants to see car traffic and airplane traffic separate. The State has funds now for 2014 projects. The Council must commit to a project by August 1st to be eligible for state funding. Clerk informed the Council that there is \$11,000 in 2013 Airport capital outlay budget and there is \$23,000 in the airport designated funds. Motion was made by Bonik to move forward with getting bids for the access road but not do the extra 7 parking spots plus do the 2nd wear course of the parking lot by the AD building. Seconded by Brovold. For: Bonik, Brovold, Merschman. Against: Anderson. Motion carried. Motion was made by Bonik to commit up to \$34,000 for the airport access road projects, with the right to refuse any and all bids. Seconded by Brovold. For: Bonik, Brovold, Merschman. Against: Anderson. Motion carried.

Jeanine Brand was present to speak with the Council on the new library remodeling. The building belongs to the City so the Library Foundation needs permission to go out for bids on the work to be done. Motion was made by Merschman to allow the architect for the Library Foundation building remodeling project, Lucachick Architecture, Inc., to go out for bids for the remodeling project. Seconded by Anderson. Motion carried. Brand reported that the Foundation has sent out a number of brochures, which has generated \$2,000 in donations so far. Board also had a Root Beer Float stand at Art in the Park which raised around \$200. Masterson stated that the parking lot will be striped soon. Moving of the sculpture is on hold at this time. An issue that has come up is that if the new library puts in a water fountain, you must have two. The Architect has suggested that instead of putting in water fountains which will cost a lot to do, go with bottled water with flat bottomed cups. Motion was made by Brovold to eliminate the two permanent water fountains and replace with a water service. Seconded by Anderson, passed unanimously.

Discussion was held on the Transient license. Brovold stated that the Board has talked about changing the daily fee. Mayor has spoken to a couple of the present business owners in town, but they feel the rate should be set high because they are paying real estate taxes in the City and those who get a transient license do not. Clerk has gotten information from many of the cities in our region and fee prices do vary from town to town, whether it is a daily fee or yearly. Some of the Cities do a back ground check on the vendor; they must have insurance certificates and must specifically specify the dates they are planning on selling merchandise. Members feel that the City is in the ballpark of what other cities do. Members did not do any changes to the ordinance.

Clerk informed the Council that employee Tony Marty has been with the City since March 1st, 2013. At an earlier meeting Street Supt. Masterson had asked for a raise for Marty. Motion was made by Anderson to give Marty a \$1.00 per hour raise at the end of the six month probation, which would be September 1, 2013. Seconded by Merschman. Motion carried.

2014 Budget Discussion. Fire Chief John Gerbracht informed the Council that he has checked further into a quote for a furnace at the Fire Hall. Comfort Zone has put in a quote of \$2,975 for two furnaces at 80% efficiency. Two furnaces at 93% efficiency would cost \$5,952. These are ceiling hung. With the doors opening up during the winter they pull all the warm air out. This can damage the heaters. Chief recommended that the dept. stay with what they have. Chief has talked to two other contractors but have not gotten prices from them. \$7,000 will be put in the 2014 budget. Chief brought up the fact that the basement of the fire hall needs a second exit. This will be discussed more when Police Chief discusses his budget. Discussion held on an exhaust fan which is needed. Cost for a new one is \$1,500 for a 4 hp up to \$3,000 for a 9 hp., gas powered. Motion was made by Brovold to get the exhaust fan replaced at this time, spending up to \$3,000. Seconded by Bonik. Motion carried.

Police Chief Larry Peterson went over some of the minor items in his budget. These will be looked at further at a future meeting. Peterson would like to have a handicap entrance into the Police Dept. constructed in 2014. He has looked into a wheelchair lift, \$5,000 for a refurbished and about \$8,000 for a new one. Lift would need to be set up to work in the cold. An enclosure would also need to be built around the lift. Shelter could go over an egress window for the fire dept. in the basement area. Issue must be addressed due to the Police Dept. being a public building. Chief will get bids on what it would cost for this project. Other 2014 budget items would be \$10,000 for the COPS grant position, \$22,000 for patrol car and the city portion of PERA will be going up in 2014.

Park Department: Clerk reported that the Park Board is going to get quotes to put tin on the park shelter roofs so will bring this to the next meeting. Anderson had a request from a camper, that the area where the old hockey rink was located be turned into seasonal camping.

Street Department-Bill Masterson, Superintendent. Masterson has gotten quotes on two loaders, CASE and John Deere. Both were priced right around \$130,000. John Deere has a lease purchase agreement for 7 years at 3.3% interest. Annual payment would be approximately \$20,000. He would like to keep the old loader for snow blowing. He would also like to find a tractor with a disc mower which is approximately \$10,000, and this should be able to go through the airport funding. Masterson also asked about getting a snow blower for the airport.

Discussion held on streets that need repairs. Merschman reported that the Utilities department is looking into a lot of sewer and water repairs which would mean a lot of the streets would need repairs.

City Hall-Clerk Colleen Lindgren. Clerk would like to do some remodeling in the building so there is more privacy and less noise for working. Merschman asked if it was considered to move up to the old Library building. Clerk stated that the office is not in need of any computers, copiers, or other equipment at this time.

Clerk stated that a lot of people have requested that the hanging flower pots be brought back. Anderson suggested that a letter be sent out with the All School Reunion materials asking for donations for next year's flower pots. Clerk explained the pots which are located in Park Rapids and Bagley's Stems Flower Shop would help in getting the pots. Cost is \$100 for an 18" pot and \$200 for a 22" pot, planted. Pots have a lifetime of 10 years. These would not have to be watered as often as the present pots. It would need to be checked out whether or not our light poles would hold the pots.

Bonik asked if the Council would consider putting money into the budget for fireworks, being the All School Reunion will be in 2014. There were not enough donations in 2013 to cover the cost of the fireworks for this year's July 4th. Anderson would like to put \$2,000 in the budget for next year.

Clerk gave a map to all Council Members, which showed the Kastner Division. Also a listing on each lots special assessment. There are two people who are interested in purchasing lots in the area. Both know there are special assessments on the lots. Clerk feels that the Council should think about what price to put on the lots. Discussion was held on what to do with the lots, what to charge for them and what can the City do about the assessments. Mayor said there may some funding available to help with the project. Clerk stated that the City has the right to send a letter to the County Auditor saying hold up on charging the City the Special Assessments. They could be on hold until the lots get sold or the Council can keep paying on the specials until they are sold.

Motion was made by Merschman to extend the meeting for 10 minutes. Seconded by Anderson. Motion carried.

Motion was made by Merschman to allow the Clerk to contact Attorneys Flaherty & Hood asking what the City can do, if anything, to get the lots sold and things the City can do to make the lots more saleable. Seconded by Anderson. Motion carried. There is still a \$30,000 special assessment on the lot where the Library is located.

Motion was made by Anderson to adjourn the meeting. Seconded by Brovold. Motion carried.

CITY COUNCIL PROCEEDINGS
AUGUST 13, 2013

The Bagley City Council met in regular session on August 13, 2013 at 5:30 p.m. in the City Council Chambers.

Present: Vice Mayor David G. Anderson, Councilmen Dennis Merschman, Jon Brovold and Chad Bonik, City Clerk Treasurer Colleen R. Lindgren and Deputy Clerk Faye Jacobs. Mayor Sidney Michel was absent.

Also present: Police Chief Larry Peterson, Utilities Manager Mike Jensen, Liquor Store Manager Chris Arnold, Ceira Hartman, Donna Carlson, Jackie Meixner, and Street Superintendent Bill Masterson.

Motion was made by Merschman to approve the minutes of the July 9th and July 24th meetings. Seconded by Brovold. Motion carried.

Jackie Meixner, HRDC, was present to discuss the Small Cities Grant program with the Council. As of July 31, 6 applications have been received and 2 have been completed 100%. The other four are being worked on. One more ap was recently received. The City unit goal is 12 applications. Meixner spent an afternoon in Bagley to meet with people but no one attended. 26 applications have been sent out as requested for and these people also received phone calls from Meixner. Three ads have been run in the newspaper. Meixner asked Council if they had any suggestions on what she can do to help the City promote the program, being she is not getting responses as was hoped for. Merschman stated that the ads in the paper are complicated for people to understand and so is the map. He feels it should state Free Money to fix up your house. Come see if you qualify. Meixner said that she could do that if the Council tells her to do it but that would be misleading because it is not free money. It potentially is if the homeowners stay in their home for a certain number of years. Merschman asked if the map boundary was set in stone. Meixner has spoken to DEED because there is an appeal for help from someone outside the zone and DEED has stated that it is pretty much set in stone. Houses were scored when the area was looked at for making a target area. The Council was then asked to define a target area. Brovold asked if everyone in the target area got a letter about the program. Homeowners did not get personal letters on the project. Meixner said that they have brain stormed on what to do and so far over half of the money has been designated. Clerk stated that all those that put in applications have been contacted by phone, either speaking directly to them or leaving a message on their phone. Meixner will help anyone who wants the help, fill out their paper work. Rental houses are not allowed to go through the program. The Council has a whole year left to designate the funds to home projects. A letter has been received from Donna Carlson asking that the Council expand the target area to include her home which is only two houses away from being in the target area. Meixner said that the Council can request that DEED expand the area to include Carlson's home. Anderson stated that he feels the Council do what needs to be done for the applicant who is attending the meeting. Motion was made by Bonik to appeal to DEED to expand the target area by 2 lots because we have an applicant who is in need. Seconded by Merschman. Motion carried. Meixner said she is willing to come to Bagley and do all the legwork to get the applications done. A formal Public Hearing will be needed before Sept. 30th. Motion was made by Brovold to set a Public Hearing for the Small Cities Grant requirement for September 10th at 5:30 p.m. Seconded by Bonik. Motion carried. Meixner said that she would send the Council's request to DEED in the morning.

Clerk stated that a fifth draw request for the Small Cities Grant program in the amount of \$3,175 has been received. Motion was made by Bonik to pay the request. Seconded by Brovold. Motion carried.

Clerk was asked to open the sealed bids received for equipment which was advertised. Motion was made by Merschman to accept the following bids: Bob Singleton/2000 Tacoma/\$5,251; Yousef Dabbagh/2005 Crown Vic/\$1,168; Jim Lafriniere/1985 Ford F-7000/\$3,300; Larry Peterson/water tank/\$27.00; Gregg Hinrichs/small gas generator/\$35.52; Gary Cater/sickle grinder/\$68. Seconded by Brovold. Motion carried.

Discussion was held on an application for a zoning change and variance for First Care Medical Services/Essentia Health. The Zoning Commission has approved both and asked the Council for their final approval. Motion was made by Merschman to approve the Zone change of R-1 to B-1, Resolution #42-13, and a variance to build closer to the street than allowed by ordinance, Resolution #41-13. Seconded by Bonik. Motion carried.

City Receipts for July 2013 were reviewed. Total funds received for July was \$290,974.06.

City Budget reports for July 2013 were reviewed.

Budget report for Liquor at the Golf Course was reviewed. Net profit for year to date is \$485.65. Manager Arnold reported that it is not paying to have the bar open at the course on Wednesdays so that will be closed off. There are a number of tournaments coming up and he will be completely closing down the bar just after Labor Day.

Budget report for the Municipal Liquor Store was reviewed. Net income for July is \$9,841.43 and year to date is \$24,743.58.

Motion was made by Merschman to approve payment of the outstanding liquor store bills. Seconded by Bonik. Motion carried.

Motion was made by Bonik to approve payment of the outstanding city bills. Seconded by Brovold. Motion carried.

Department reports: Police Chief Larry Peterson reported that he has gotten a resignation letter from part-time Officer Ryan Solee. Motion to accept Solee's resignation was made by Bonik. Seconded by Merschman. Motion carried. July monthly activity report was reviewed. Chief has been working on getting quotes to get the building handicap accessible. More information on this will be brought to the Council budget meeting.

Fire Dept.: Councilman/Fireman Chad Bonik reported that the Turn Out Gear will be arriving soon.

Zoning: Bill Masterson. Sanford Health will be pouring footings for the new clinic this week. There are a couple wells and sanitary sewer located on the property that needs to be taken care of. Essentia Health will also start to build soon. Zoning Board will be meeting on August 21st to work on the Land Use Plan.

Liquor Store: Manager Chris Arnold. Arnold would like to organize an October Fest/Grand Opening at the end of September. Liquor Store was first opened in October 1946 and this year would be the 67th year. He would then like to have an Anniversary sale every year in October. Liquor Training will be held at the end of August. There will be another Fireworks Fundraiser Beer & Wine tasting in October at Fire Side. Tuesday Study Club has said they will help. One of the radio stations has said they will bring over a grill and grill hotdogs at the Liquor Store. Ticket price may be dropped due to this being the 2nd fundraiser this year. Arnold would like to go to a fall fundraiser instead of a spring one. Councilmembers agreed to go ahead with the October Fest and the Grand Opening. Arnold will be advertising in the Halstad Shopper which generates 10,000 copies for \$200.

Naylor Heating & Refrigeration has put in a quote to do the Maintenance on the coolers/refrigeration at the Liquor Store. Fall Planned Maintenance = \$294. Spring Planned Maintenance = \$321. Bonik feels that maintenance is a must to have. Arnold stated that Naylor's will be coming back to check things out more. Bonik asked that they do so and redo the quote. Arnold will bring back to the next Council meeting.

Street Department - Superintendent Bill Masterson. Crews are working on cleaning up the lots in the Kastner Division. Painting/stripping is going on now. Crew is painting the curbs on Bagley Ave. and this will be charged back to the County.

Merschman informed the Council that he has spoken to a landowner in the Kastner Division, who wants to purchase a lot next door to his. Merschman asked if it was sold for \$1.00 plus assessments would he still be interested. Clerk had spoken to him also and said he was interested. Bonik was in agreement to get the lots sold so the City could collect the special assessments. Merschman made the motion to sell the lots for \$1.00 and buyers take over the special assessments as they stand. Motion seconded by Bonik. Brovold asked for discussion. He questioned if the motion was going to hold in 5 years when the assessments are paid down. Clerk stated that the City can ask the County to put a hold on the special assessments right now and then when the lots are sold the specials would be put back on. Brovold would like to discuss the project further. Bonik asked about making the motion just to sell the one lot tonight. Merschman feels that if you sell one you should do all of them equally. After further discussion Merschman asked that

his motion stand as stated. Vice-Mayor asked for a call of the vote. Brovold said that he was concerned about someone coming in eight years when the assessments were paid and still being able to purchase the lot for \$1.00. More discussion was held on the freezing of the assessments until the lots are sold. Merschman feels that if the lots get paid down people may come in to purchase them. Vice-Mayor called for the vote. For: Merschman, Bonik, Anderson, Brovold. Against: none. Motion carried.

Masterson said that the crews will be taking down dead trees in the Kastner Division lots but he does not have money in his budget for it. Merschman said to bring it up at the budget meetings.

Public Utilities: Mike Jenson, Manager. NMPA would like to present to the Council & Utilities Commission, an explanation of the borrowing process. Jenson was told to try to get it set up for the Council's next work session on August 28th. An update on activities of the Utility crews was given. Jenson stated that he is now back to work full time.

City Hall- Colleen Lindgren, Clerk. An information letter from David Drown Associates was given to the Council concerning the 2012 TIF District Reporting.

Two thank you notes were read. One from the family of Gene Merschman and one from the Art In The Park Committee.

Clerk reported that she has checked on a letter previously discussed, concerning Limited Continuing Disclosure Reporting services which Ehlers & Associates could do for the City. Cost is \$100 per year for Ehlers to file the appropriate papers and audit of City Bonds with the State. Motion was made by Brovold to contract with Ehlers & Associates to do the filing with the State. Seconded by Merschman, motion carried.

A letter and Task Order #9 were received from Karvakko Engineering to provide design and bidding services for the access road/parking project at the airport. Clerk reported that after speaking to Mike Karvakko, the road from the railroad tracks up to the rental house may not be eligible for funding due to the fact that the City makes money off the rental house. Karvakko's recommendation is to just do the access road and paving at the airport and not the road up to the airport. The City will need to do crack sealing in 2014 and he recommended saving the funds from the road to put towards the airport crack sealing. Cost for Karvakko Engineering to do Task Order #9 is \$5,000. Motion was made by Merschman to approve the contract with Karvakko Engineering. Seconded by Bonik. For: Merschman, Bonik, Brovold. Against: Anderson. Motion carried.

Clerk will be attending a meeting in Erskine on August 15th for discussion on Employee Health Insurance.

Motion was made by Bonik to accept a Contract for Services between Headwaters Regional Development Commission and the City of Bagley for Tier 2 Services involving the Cities Revolving Loan funds. Seconded by Brovold. Motion carried.

Discussion on the dues for Coalition of Greater Minnesota Cities. Motion was made by Merschman to pay the dues of \$2,876 to the Coalition of Greater Minnesota Cities. Seconded by Brovold. Motion carried.

Council is invited to attend the Sandpiper Pipeline Project Open House in Clearbrook on August 20th, 5 p.m. to 7 p.m. Masterson said Enbridge Pipelines will be going over City property with this project. Anyone that is able to attend should.

League of MN Cities has sent out a letter informing the Council that they are recognizing 30 legislators this year for their actions and leadership on a wide variety of legislative issues of importance to cities across MN. Senator Skoe is being recognized at this time.

Motion was made by Bonik to adopt Resolution #41-13 ACCEPTANCE OF DONATION. Seconded by Merschman. Motion carried. This resolution acknowledges donations from Galen's Supermarket for \$139 and the American Legion Post #16 for \$100 to go towards fireworks.

Masterson stated that he needs to get recertified for mosquito spraying. There is a class being held on November 6th in St. Cloud. Motion was made by Bonik to send Masterson to the mosquito class. Seconded by Merschman. Motion carried.

Brovold brought up the fact that the Mayor would like to look into remote access so that if any members were absent from a meeting, they would be able to skype into the meeting. Merschman & Jenson said that one of the PU employees is looking into the cost of cameras, TV's or whatever it takes. Merschman did say the Utilities Commission would look at paying ½ the cost.

Next meeting will be held on August 20th at 5:30 p.m. to discuss budgets for 2014.

Being there was no further business to come before the board; motion to adjourn was made by Merschman. Seconded by Brovold. Motion carried.

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CITY COUNCIL PROCEEDINGS
August 20, 2013

The Bagley City Council met on August 20, 2013 at 5:30 p.m. in the City Council Chambers for discussion on 2014 Budgets.

Present: Mayor Sidney Michel, Councilmen Dennis Merschman, Chad Bonik, David G. Anderson and Jon Brovold, City Clerk Treasurer Colleen R. Lindgren, and Deputy Clerk Faye Jacobs.

Also present were Police Chief Larry Peterson and Street Superintendent Bill Masterson.

Mayor Michel called upon Street Superintendent Bill Masterson. Masterson would like to see funds put in for street crack sealing. The City Garage will be paid off in March 2014. Discussion held on mosquito spraying, which funds are put into the supply budget for spray. Mayor talked about putting a charge on utility meters as a "spraying charge". There are some cities that do this. Cost for spraying this past summer was approximately \$2,500 to \$3,000.

Clerk informed the Council that she had put in a 2% raise in wages and benefits for employees just so the Council would have something in the budget for comparisons. Budgets were discussed with department heads before this meeting.

Masterson would like to put up a salt storage building yet in 2013. Quotes for materials are: Westwood Building-\$6,270.01; B&M Supply-\$7,670.00; and Hillside Lumber-\$6,303.18. These quotes would not cover gravel for the base and the labor. Friborg Construction has called back to do a quote to build the building.

Police Chief Peterson is still looking for someone to build the shelter around a lift for the Police Station. Quote for a new lift is \$12,428 which includes the installation, but not the permits. A material list to build the shelter is \$2,296.08. None of this includes labor, electrical or cement pad. There is \$8,000 in designated funds for the handicap entrance. Following was proposed for the 2014 budget: \$12,420-lift; \$15,000-car; & \$7,580-building which equals \$35,000 in capital outlay. Clerk stated that \$10,000 was again added to the budget for the 4th year of the COPS Officer.

Clerk explained the health benefit cap for employees and stated that the BCBS Health insurance premium will be going up 29% for 2014.

Cemetery budget was reviewed. Gravel is needed for the roads in the newer area. Funds for this will be taken out of the Cemetery restricted funds. Masterson said that some of the restricted funds are being used at this time for straightening and upkeep to the cemetery stones. Bonik stated that the street dept. keeps getting hit for all the mowing in the city. He suggested that more of the restricted funds be used for mowing or to purchase a mower for the cemetery. Clerk stated that a scag mower could be purchased from the cemetery funds in 2014. Mayor asked that Masterson bring a report to Council on the number of hours that are put into the cemetery each year.

Zoning budget will stay the same as 2013. Clerk stated she did not put any raises in the salary area. Mayor said that if the Council were to look at that, they should also look at raises for all the Boards. Clerk explained that Council wages can only be raised in the fall on the year of elections, to take effect on Jan. 1st of the following year.

Airport: Clerk raised the area of utilities due to price increases and propane at the AD Building. Phone is raised due to internet for the weather station. Repairs & maintenance rose due to costs of runway lights. Proposed budget is \$3,100

over 2013 budget. Capital outlay includes \$10,000 for crack sealing and \$110,000 for a snow blower. State pays up to 50% of equipment if approved.

Community service - City has been paying \$200 per month to the County for this service. Budget will be left as is.

Economic Development - Will need to check on the dollar amount given to the BIDC being they do receive lease payments each month. Bonik asked if funds should be put into this dept. for the marketing of city property. Clerk stated the marketing of the Kastner lots could go into this dept. Brovold asked about also cleaning up the lots. Members agreed on putting \$5,000 for cleanup of the lots and \$2,000 for advertising. Merschman stated that when he made the motion at the last meeting to sell the lots for the \$1.00 and special assessments, he meant the lots that are developed.

Masterson brought up the fact that there is someone that has talked about building in our industrial park but the truck traffic blocks the road in the industrial park. TEAMS buildings are designed so that the loading docks face the road. Council looked at maps on areas to get another road into the Park.

Dog Pound - Budget will stay the same as it was in 2013.

Fire Department-Bonik stated that funds needs to be put in for the building emergency exit. Cost estimated at \$5,000. Furnace discussion-Merschman has spoken to Tom Lillegaard about the furnace and he feels that a 100% efficiency furnace is not the way to go. He stated that what is up there is what was meant to be there so don't change it. \$7,000 was left in the budget in case a furnace is needed at a later date. \$1,000 was put into the repairs & maintenance for the SCBA Flow tests. \$2,000 was put in for fireworks due to the all school reunion in 2014. Discussion held on the dollar amount which will be charged for fire protection to the townships. Clerk was asked to send a courtesy letter out to the townships letting them know that the budgets may be going up. Council asked that she also include asking for funds for the City Park. The Council feels that people from all townships use the park and they could help pay for some of the expenses.

Park Department - Clerk stated she lowered the wages to the beginning of the wage step due to the fact that the present Park Attendants', Wayne & Rhonda Netland, have stated that they are not returning to the Park next summer. Council asked that \$700 be put in the supply & materials for Part-A-Johns during the All School Reunion. Utilities were also raised. Park Board asked that the following be put in the Capital Outlay: Tennis Court Resurfacing-\$7,000; Ditch Cleanout-\$8,000; A&B water & electric-\$5,000; Shelter roofs-\$10,000; and Golf cart-\$4,000.

City Hall - Clerk stated that she had left all the specials for the Kastner lots in the budget, not knowing if any of the lots will sell or not. \$2,500 was put in election expense due to elections coming up in 2014. Training was increased due to Council Members attending more meetings. Special Assessments for the new library were added, in the amount of \$4,521. Mayor asked about putting funds in for being able to broadcast or Skype during Council meetings in case an absentee member wants to participate during a meeting. Will not be put over the TV as of yet. \$1,500 was put into the budget and the Public Utilities will also put in funds toward the project. Mayor would like to hold off giving any raises until July of 2014. At that time the City should know for sure if they will be getting all their LGA. Mayor stated this is completely up to the Council. Brovold stated that his taxes were ¼ less when he moved into the City, than they are now. Part of the reason he ran for office was to try to control some of the spending. Mayor stated the Council needs to be more frugal with spending. Clerk also put \$3,000 in for hanging flower pots. Masterson talked about all the watering it takes to water the flowers. Clerk said the pots have a reservoir on them which holds more water, than the old pots. Clerk went over bond expenses for 2014. Proposed income figured so far is \$1,021,088.

Mayor asked about utilizing the old library for City Hall, or the possibility of moving City Hall to the new library or remodeling the present City Hall. Merschman asked if the Clerk or Mayor have looked things over and have some kind of idea on what to do. Mayor asked members to think about what to do.

Discussion was held on the legalities of skyping during City Council meetings. Mayor will speak with the utilities manager on the building issue.

Clerk was asked to check on the Tax Increment Districts. City paid to set them up and Council is now wondering how can TIF be utilized to entice people to build in the areas. Can it be advertised as a TIF District and getting breaks on taxes. Map of the areas will also be checked on.

Bill Masterson spoke on the Toyota pickup which was put up for bids. It was advertised wrong on the City Web page and other areas of advertising. Masterson said there are a number of things wrong with the vehicle which he had not found earlier. The truck is a 4 cyl, not a 6 cyl. The man who got the bid does not want the vehicle due to not being listed right. Clerk was asked to check with an Attorney on what the City should do. Can the City sell the truck to this person for \$4,300 instead of the bid he put in or do we have to rebid. Clerk will call Flarity & Hood on the legalities of what to do.

Mayor spoke on the area of legal fees. If Flarity & Hood are used more, we may need more funds in the legal budget. Clerk has proposals in her office from Flarity & Hood.

Being there was no further business to come before the Council; motion to adjourn was made by Anderson. Seconded by Brovold. Motion carried.

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CITY COUNCIL PROCEEDINGS
AUGUST 28, 2013

The Bagley City Council met in special session on August 28, 2013 at 5:30 p.m. in the City Council Chambers.

Present: Mayor Sidney Michel, Councilmen Dennis Merschman, David G. Anderson, Jon Brovold, Clerk Treasurer Colleen R. Lindgren and Deputy Clerk Faye Jacobs. Councilman Chad Bonik was absent.

Also present: Utilities Manager Mike Jensen, Daryl Tveitbakk and Dalene Monsebroten from Northern Municipal Power Agency, Utilities Commissioner Mark Edevold, Police Chief Larry Peterson and Laura Dropps.

Motion was made by Merschman to accept the minutes of the August 13, 2013 meeting. Seconded by Brovold. Motion carried.

Laura Dropps was present to update the Council on her progress with the City Web Page. Dropps took over the site as of July 12th, 2013 and so far has spent approximately 63 hours on site. She has completely changed the layout, due to GovOffice required update, created menus that are easier to navigate, created Facebook and twitter accounts, created city vehicle listing and updated the business directory. Items which still need to be done are the library section, Girl and Boy Scout contact info along with Rotary, Bagley Garden Club and Clearwater Healthcare fund. From now on it will be more maintenance than putting info on. At some point she will be working with the Chamber to get their information on the site also. Councilmembers feel the site is easy to find things on and that she has done a good job with it.

Les Liljedahl, First National Bank, was present to speak with the Council about the banks lot located by the Stop Light. This is the lot which the Veterans Memorial will be located on. Liljedahl stated that the Bank Board has authorized that the whole lot be donated to the City. Lot is 25X140 feet in size. Deed has been prepared and given to the Clerk. The bank added to the warranty deed "Grantor reserves the right of first refusal." Jim Schroeder asked Liljedahl if there was something that needed to be signed off on so they could start work on the memorial. Mayor said that whoever is doing the work should have some kind of insurance. Anderson made the motion to allow the Memorial Committee to go ahead with starting the construction of the project. Seconded by Merschman. Motion carried. Motion was made by Merschman to pass Resolution #43-13 Acceptance of Donation from First National Agency of Bagley, Inc. Seconded by Anderson. Motion carried.

Discussion held on the proposed construction of a salt storage shed for the Street Department. Motion was made by Merschman to allow Superintendent Masterson to order the materials for the shed from Hillside Lumber in the amount of \$3,467. Seconded by Anderson. Motion carried. Motion was made by Merschman to accept the quote of Friborg Construction in the amount of \$3,500 to build the salt shed. Seconded by Brovold. Motion carried.

Daryl Tveitbakk and Dalene Monsebroten, Northern Municipal Power Agency gave a presentation on the power agency. They asked that the City and Public Utilities consider a request for a contract extension of the Power Site Agreement. The City signed on with NMPA in March of 1981. They do not see anything major in the Cities contract that needs changing.

**6:30 p.m. Member Chad Bonik entered the meeting.

Utilities Commissioner Mark Edevold stated that NMPA has always worked with the Cities best interest in mind. They work out 10-20 years which helps with City rate increases. They are a great benefit to the City. Edevold stated that the Utilities Commission would need to meet and give a recommendation to the Council.

Tveitbakk stated that they need the resolutions signed to do long term planning.

Police Chief Larry Peterson asked permission to attend training in Fergus Falls on October 7th, being put on by LMCIT Safety & Loss Control called Police Leadership I the New Normal. Registration cost is \$15 which includes lunch. Motion was made by Anderson to approve sending Chief Peterson to this training. Seconded by Bonik. Motion carried.

Chief is still working on bids for the handicap lift at the Police Station. He has not been able to find a used lift anywhere.

Merschman stated he would like to amend his motion from the last City Council meeting concerning the sale of the city owned lots in the Kastner Division. Merschman amended his motion to state that the sale of City lots in the Kastner Division will be for the sale of the developed lots only that have special assessments on them. Motion was seconded by Bonik. Motion carried.

Clerk informed the Council that the Toyota Truck which was put up for bids recently was advertised incorrectly. It is a 4 cyl, not 6 cyl as advertised. There were also a number of damages/repairs that need to be done but were not listed also. Clerk has spoken to an Attorney and his recommendation was to readvertise the vehicle. The gentleman who got the bid on the vehicle has sent a letter stating that he no longer wishes to purchase the vehicle. Council cannot offer the vehicle to the same man, for a lesser cost. Motion was made by Merschman to put the truck out on bids and to open the bids at the Sept. 25th Council meeting. Seconded by Brovold, passed unanimously.

Masterson asked about keeping the 1980 Ford dump truck on the City web page for a minimum of \$2,000. Motion was made by Bonik advertise the 1980 Ford for sale on the city web page, newspaper and Kraigs list. Seconded by Anderson. Motion carried.

Motion was made by Bonik to advertise the 1010 John Deere Utility Tractor with sickle mower for sale, with a price of \$4,000. Seconded by Anderson. Motion carried.

Other equipment will be listed at a later date on Kraig's List.

Mayor brought up the 2014 budget. He would like to see that the 2014 levy be kept the same as 2013 levy. Clerk was asked to pull out the snow blower and the pay loader to get the levy back down. Masterson is looking into different financing such as a lease payment.

Being there was no further business to come before the Council; motion to adjourn was made by Merschman. Seconded by Brovold. Motion carried.

CITY COUNCIL PROCEEDINGS
SEPTEMBER 3, 2013

The Bagley City Council met in special session on September 3, 2013 at 5:30 p.m. in the City Council Chambers.

Present: Mayor Sidney Michel, Councilmen David G. Anderson and Dennis Merschman, City Clerk Treasurer Colleen R. Lindgren and Deputy Clerk Faye Jacobs. Councilmen Jon Brovold and Chad Bonik were absent.

Also present: Street Superintendent Bill Masterson, Police Chief Larry Peterson and Liquor Store Manager Chris Arnold.

Meeting was held to discuss the 2014 Budget.

Mayor Michel called upon Liquor Store Manager Chris Arnold. Arnold would like to see four more cameras purchased at approximately \$150 per camera. Arnold said that he could wire them in. A floor scrubber is needed at approximately \$2,500 with 2 air movers by the front door. Arnold would also like to see a commercial unit water softener at the cost of \$2,599, giving the store 200 lbs. of free salt. Lease or rent is \$70 per month. Merschman does not agree with the softener issue. He would like to get a second opinion. Toilets work fine when the softener is bypassed. Merschman asked how much money the Liquor Store has. Mayor said there is not much and won't have any money to transfer to the City for this year's budget. Money that is to be transferred to the City may need to be spent on equipment. Clerk stated the Council will need to cut or adjust the City Budgets by \$30,000 if nothing gets transferred from the Liquor Store. Mayor said that the Council can't take away the Liquor Stores operating money just to support the City budget. Arnold stated that he did buy beer last week for 2 months due to a price hike. Merschman stated the principal payments will begin in January also. More discussion was held on the water softener and what needed to be done.

Motion was made by Merschman to close down the Liquor area at the Golf Course as of September 3rd. Seconded by Anderson, motion carried.

Motion was made by Merschman to approve the minutes of the August 20th meeting. Seconded by Anderson, motion carried.

**Councilman Chad Bonik entered the meeting at 5:48 p.m.

Police Dept.-Chief Peterson. Estimate for the handicap building - waiting for an estimate for the labor part. Peterson would be able to hold off putting in funds for another squad car. Would like funds to be put towards the 4th year of the COPS grant. Mayor Michel stated he would like to stay within the levy of this past year and does not want to raise taxes.

Masterson explained the lease options for the purchase of a loader. John Deere has financing at 3.3% for 7 years. The Titans Co. works with bankers. On a lease program, John Deere would accept a payment down and lease the rest of the loader or lease the whole amount of the loader.

Mayor would like to do some adjusting in the departments to keep the levy the same. He would also like to see \$10,000 put into a snow fund and not worry about replacing the PD squad car. LGA is certified to be \$51,000 more than 2013.

After putting in all figures which were discussed at the last budget meeting, the proposed levy would need to be raised by \$224,191. Members discussed cutting the airport snow blower and the street dept. loader at a cost of \$240,000. \$16,000 will be put into the street dept. budget for a lease of a loader.

6 p.m. Councilman Brovold entered the meeting.

Mayor would like to see each department's budget stay the same for 2014. Capital outlay for the Roads & Bridges will be building-\$14,814; loader-\$20,000 lease, equipment fund-\$10,000 and the snow blower will be taken out of the airport Capital outlay and put into the street dept. at a cost of \$29,631. To get the street dept. budget to the same as 2013, \$4,435 will be put into the infrastructure maintenance.

Anderson would like to see only the crack sealing dollars be put into the airport capital outlay.

Discussion was held on the 2013 budgets, Local government aid increase. Mayor stated he wants to keep the 2014 budgets the same as 2013. Merschman and Brovold stated that prices do go up such as gas & oil, wages and monthly payments on snow blower and loader. Mayor said there will be changes in the payments for the building and the truck. Merschman said the proposed income is stated and the proposed expenses are done so the budgets need to be cut down to meet the proposed income.

Police Dept. budget was discussed. \$12,000 more will be put into the 2015 Police Officer COPS Grant. Budget to be \$351,617 plus \$25,000 in capital outlay.

Street Dept. - Snow removal in past years was put in to cover any costs associated with hiring someone to push back snow piles. This is no longer needed so the 2013 dollar amount of \$7,500 was not put into the 2014 budget. Proposed budget will be set at \$327,560 with \$74,445 in capital outlay.

Park Department - Looking into the capital outlay which was proposed by the Park & Recreation Board, Council proposed the following: tennis/basketball court resurfacing-\$7,000; A&B water & electric-\$5,000; shelter roofs-\$6,000, and Golf cart-\$4,000. Proposed budget set at \$48,700, and \$22,000 into capital outlay.

Cemetery proposed budget - \$3,750.

Animal Pound proposed budget - \$20,020.

Zoning proposed budget - \$7,306.

Community Service proposed budget - \$2,400.

Economic Development proposed budget - \$13,000.

Airport proposed budget - \$22,950 and \$10,000 for Capital Outlay.

Fire Department proposed budget - \$65,991. \$2,000 was added for fireworks and \$1,000 for equipment flow tests. Clerk informed the Council that the two items in the capital outlay are upkeep on the building and that should be a cost to the City due to the building being city owned. Complete new furnace will not be looked at, at this time. Capital outlay is \$1,000 towards furnace and \$5,000 towards and emergency exit.

City Hall proposed budget - \$235,459. This includes the special assessments for the Kastner Division and the new library building. Capital Outlay will be TV's, camera, and sound equipment for \$1,500 and Hanging flower pots at \$3,000.

An additional amount of \$5,000 was added into the Police Department wages to cover any increase in wages for Chief Peterson after his 6 month probation is decided. Peterson's probation is up on October 1, 2013.

Clerk will refigure all the amounts discussed and get them to the Council so they can go over the budget before the Council's Sept. 10 meeting. A proposed levy must be given to the County Auditor by September 15th.

Clerk has figured up how much it would cost the City if employees retired on January 1, 2014. Council has never set any funds aside for such items. This had been discussed last year but no funds were set aside for this expense.

Discussion was held on the water softener for the Liquor Store. Plumber who did the original plumbing at the new store will be contacted.

A memo has been received from PERA that an increase in the employer and employee amounts may go into effect July 1, 2014.

Being there was no further discussion to be held on the budgets, motion to adjourn was made by Merschman. Seconded by Brovold. Motion carried.

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CITY COUNCIL PROCEEDINGS
SEPTEMBER 10, 2013

The Bagley City Council held a Public Hearing on September 10, 2013 at 5:30 p.m. in the City Council Chambers. Hearing was held to discuss the Small Cities Development Grant Program.

Jackie Meixner, Headwaters Regional Development Commission gave an update on the progress of the grant program.

According to specifications of the grant, the Council is to hold a second public hearing before Sept. 30th of this year, which is being done at this time. Public Hearing was published in the local newspaper and posted.

Four loans have been closed on at this time. Two are completed and two are being worked on. Four are pending and being close to having committed funds. At this time uncommitted funds total \$195,000. City is allowed to make 7.8 more loans which 4 are in the pending stage. Meixner has sent out more application forms but does not know yet if they will come in. At an earlier meeting the Council did have an interested person come in who was outside of the Target area. DEED will not allow the Target area to be changed so this person is not eligible for the funds. Lots of positive feedback has been received.

Merschman asked if Meixner has contacted the people that have put in applications or have inquired about the grant. Meixner stated that she has tried to contact them and will keep trying to work with them until they say yes or no. No names of these people will be published in the paper or put into City minutes.

Council thanked Meixner for all she is doing with the grant.

Mayor closed the Public Hearing at 5:40 p.m.

Mayor called the regular meeting of the Bagley City Council to order.

Present: Mayor Sidney Michel, Councilmembers David G. Anderson, Dennis Merschman, Chad Bonik, and Jon Brovold, City Clerk Treasurer Colleen R. Lindgren, and Deputy Clerk Faye Jacobs.

Also present: Street Superintendent Bill Masterson, Police Chief Larry Peterson, Utilities Manager Mike Jensen, Jackie Meixner-HRDC, Ceira Hartman, and Liquor Store Manager Chris Arnold.

Motion was made by Merschman to accept the minutes of August 28th and September 3rd. as written. Seconded by Anderson. Motion carried.

Council reviewed the August 2013 receipts in the amount of \$72,512.58.

August Budget reports were reviewed. Expenses totaled \$100,282.33 for the month.

Golf Course Liquor Profit & Loss was reviewed. Net profit for August is \$362.27, for a yearly net profit of \$847.92.

Liquor Store August Profit & Loss was reviewed. Net profit for August is \$8,619.94 and for the year \$33,363.52.

Mayor Michel asked Arnold about the Grand Opening for the Liquor Store. Arnold said that his advertising budget is depleted and would like more funds to be able to advertise the Grand Opening which he is planning for the first week of October. Different things will be happening during the whole week but mainly on the weekend. Mayor asked if anything special was being done such as serving hotdogs or what. Arnold said the Radio Station in Bemidji has a deal where they will bring a grill and cook hotdogs and do a live broadcast. Fosston will do a live broadcast for a fee. Arnold would also like to advertise in the Halstad Shopper and have flyers printed and stuffed in the Halstad shopper and Clearwater Shopper plus put inserts in with City Utility bills. Merschman asked why he picked Halstad and not the Farmers Independent. Arnold said that he will get a bid from Burford at the Farmers Independent tomorrow.

Motion was made by Anderson to pay the outstanding City and Liquor Store bills. Seconded by Brovold. Motion carried. City bills totaled \$32,725.42 and Liquor Store bills totaled \$73,542.02.

Motion was made by Anderson to send up to three people to the MN Municipal Beverage Association meeting being held in Thief River Falls on October 9th. Seconded by Bonik. Motion carried. Cost to be \$15 per person. Airport Courtesy car can be used.

Department Reports: Police Chief Larry Peterson. Monthly report reviewed. Speed trailer should be here soon and will be put up at the north end of the City. Mayor said the Speed Sign on the south of the city needs to be repaired. Jensen will look into it.

Peterson has gotten a quote from Roy Abraham to build the Handicap lift area next to the Police Dept. Total to do the project is projected to be about \$25,000. \$20,000 was put into the 2014 budget for this. Will be looked at further in the Spring of 2014. The Police Dept. area on the City Web site is being worked on.

Liquor Store - Chris Arnold. Bar charts were given to the Council. He will be working on a net profit chart. Sales are up but Councilmen want to see a chart on net profit. Bonik would like to see a history of the net profits over time.

Zoning-Bill Masterson. A number of permits for decks, fences and a new business are being worked on.

Roads & Bridges - Bill Masterson. Time Clock has quit working. He has been writing down hours for the employees. Council did not feel it necessary to get another clock.

An issue has come up with striping of the parking spots along Clearwater Ave. The street is very narrow in the winter to plow when there is parallel parking on both sides. Masterson painting the parking so there is parallel parking on the east side and diagonal on the west side. A business on the east side is upset, saying they don't have enough parking area. Council agreed that Masterson should leave it as he painted due to snow plowing issues.

The subgrade for the salt shed is being worked on and Friborg Construction will be able to build it yet this fall.

The Art Sculpture has been moved from the area by the Stop Light to the new Library building.

Masterson has found out that to turn the single axle truck to a tandem with a bigger box will be more expensive to do than it would be to find a used truck. He will begin a search for a truck.

Mike O'Shea has offered to pay \$560 for the welder generator which the City has tried to sell. Members declined to sell at this time.

Public Utilities-Mike Jensen. Utility work for the new Sanford Center is complete. Crew still needs to run a secondary service line for the new addition to Essentia Health.

The Utilities Commission will meet on the resolutions needed for NMPA and bring their recommendation back to the Council. Mayor would like to see the old contract with NMPA.

Jensen had also gotten prices to put sound equipment/laptop/TV in the Council Chambers. Minkota Tech gave a quote on what was needed and labor to install.

110 customers have signed up for the city internet.

City Hall-Clerk Colleen Lindgren. A quote has been received from Roy Abraham Construction to put an egress window in the Fire Hall. This is for the 2014 budget.

The Fire Department has asked permission to send 8 firemen to the Northern Region Firefighters Association Fall Meeting. Cost is \$20 per person. Motion was made by Merschman to send the 8 firemen to the meeting and pay for registration. Seconded by Anderson. Motion carried.

Clerk questioned if the Council wanted to again discuss the quote from Naylor Heating & Refrigeration to do the Fall and Spring planned maintenance on equipment at the Liquor Store. Fall maintenance cost is \$294 and Spring maintenance is \$321.00. Motion was made by Brovold to accept the Planned Maintenance contract from Naylor Heating & Refrigeration. Seconded by Anderson, passed unanimously.

Clerk informed the Council that a meeting was held between City employees and Derrick Pickett-BCBS Health Insurance agent. Employees did vote to go with a \$5,000 deductible VEBA plan. Some of the Council would like to speak with Pickett on the insurance.

Karvacko Eng. sent a letter to update the Council on City projects that have been worked on. Obstruction removal project: extension change order has been signed; survey crew will be onsite at the airport to survey the obstruction off the ends of the runway to verify the required obstructions have been removed. A/D Building project: final credit application and letter to the State are being drafted and will be sent to the City for signature and submittal. Airport Layout Plan (ALP): cover letter and signed copies of the ALP will be submitted to the State within the next two weeks.; Access Road and Parking Project: Plans and Specs are being completed. Bids will be opened on Sept. 25th. Capital Improvement Plan (CIP): Must be into Mn/DOT by October 15th. Karvacko asked if the Council would like to discuss future projects and enter them into the program. Clerk was asked to set up a meeting with Mike Karvacko, Bill Masterson, and herself and let the Council know when it will be held so some of them can attend.

2013 LMC Regional meetings are being set. Closest one to Bagley is in McIntosh on October 8th or Wadena on October 9th. Meetings last from 2 p.m. to 8 p.m. Merschman asked if the City Council meeting could be changed to another date so members could attend the Regional Meeting in McIntosh. Motion was made by Bonik to change the regular City Council meeting to October 15th at 5:30 p.m. in the Council Chambers. Seconded by Merschman. Motion carried. Motion was made by Merschman to send up to six people to the LMC Regional meeting in McIntosh on October 8th. Seconded by Anderson. Motion carried.

Motion was made by Merschman to pass Resolution #44-13 RESTRICTED FUND TRANSFER. Seconded by Bonik. Motion carried. Resolution is to transfer \$1,500 from the VFW Donation Restricted fund to the Street Department wage budget to cover the costs of employees repairing cemetery stones and areas around the stones in the City Cemetery.

Small Cities Grant Project - Clerk gave the Council a letter from DEED explaining why they would not allow the Council's request to expand the target area. Monthly report on the project was reviewed.

Motion was made by Anderson to approve payment of \$1,445 to the League of MN Cities for membership dues. Seconded by Brovold. Motion carried.

Motion was made by Anderson to approve payment of \$30 to the Minnesota Mayors Association for membership dues. Seconded by Brovold. Motion carried.

Discussion was held on the contract between the City and Teamsters General Local Union No. 346 for City Police Officers. Mayor Michel and Councilman Brovold had met on the contract and sent an offer to the union for a 2% raise in wages beginning August 1, 2013. This wage increase offer was accepted by the Police Union. Motion was made by Anderson to approve a 2% increase in wages for the union police officers, Teamsters General local Union No. 346, effective August 1, 2013. Seconded by Bonik. Motion carried.

Six month probation period for Police Chief Larry Peterson is up on October 1, 2013. Motion was made by Anderson to raise Peterson's wage by \$1.00 per hour beginning October 1, 2013. Seconded by Bonik. Motion carried.

Motion was made by Anderson to approve the "Proposed" Budget for 2014. Seconded by Bonik. Motion carried. Proposed budget expenses to be as follows: City Hall-\$235,459; Fire Dept. -\$65,991; Police Dept. - \$356,617 (less COPS Grant of \$61,787); Street Dept. - \$327,560; Park & Recreation - \$48,700; Cemetery - \$3,750; Animal Pound - \$20,020; Zoning - \$7,306; Community Service - \$2,400; Economic Development - \$13,000; Airport - \$22,950; Capital Expenses - \$146,945; Other Expenses - \$47,000; and Bond/Loan Expenses - \$195,348. Sub-total proposed expenses to be \$1,493,046 adding in \$35,036 Revolving Loan Fund for total expenses of \$1,528,082.

Motion was made by Anderson to approve the Clerk to certify to the County a proposed levy in the amount of \$620,642. Seconded by Bonik. Motion carried.

Mayor Michel would like the minutes to reflect that the Council will continue to work on the budget and there more than likely will be more cuts to the budget before the Truth in Taxation meeting.

Mayor reminded Council Members that the next regular meeting will be held on October 15th instead of October 8th.

Councilman Bonik asked if the City has a Mutual Aid agreement set up with Fosston Fire Dept. Firemen feel there is not an agreement with them. Fosston is requesting one due to a recent fire that help was needed at. Clerk will look into past agreements and see if there is one with Fosston. Bonik will be attending a meeting in Fosston and will discuss it further. Council gives the final approval on any Mutual Aid agreements. Mayor asked if the area of fee schedules and fines for accidents and fires has been looked into. At this time it has not. Clerk went through the Mutual Aid agreement file to see who the City has agreements with. There is one with Fosston dated in 1983. Bonik will look into it further.

Being there was no further business to come before the Council, motion to adjourn was made by Anderson. Seconded by Brovold. Motion carried.

CITY COUNCIL PROCEEDINGS OCTOBER 15, 2013

The Bagley City Council met in regular session on October 15, 2013 at 5:30 p.m. in the City Council Chambers.

Present: Mayor Sidney Michel, Council Members Dennis Merschman, David G. Anderson, Jon Brovold, Chad Bonik, and Deputy Clerk Faye Jacobs. Clerk Treasurer Colleen Lindgren was absent.

Also present: Police Chief Larry Peterson, Liquor Store Manager Chris Arnold, Les Liljedahl, Mike Jensen, Street Supt. Bill Masterson and Ceira Hartman.

Motion was made by Merschman to approve the minutes of the Sept. 25, 2013 City Council meeting. Seconded by Anderson. Motion carried.

Les Liljedahl was present to update the Council on the Clearwater Library Foundation project of remodeling the Wee Care Building for the Library. Two bids were received for the remodeling, which the Library Foundation is requesting the Council to reject. Foundation is looking into some changes for the remodeling due to costs being so high. A performance bond is not needed for bids under \$100,000. Attorney Chris Hood was contacted and guided the group in this area. Bids were as follows: Jeff A. Olson Construction - \$88,955.00 and SOI Inc. (DBA) Diversified Builders. Motion was made by Merschman to reject both bids. Seconded by Brovold. Motion carried. Motion was made by Brovold to rebid the Library Remodeling Project. Seconded by Merschman. Motion carried. Project will be advertised in the papers on October 23rd and 30th. Motion was made by Merschman to open bids at the November 12th City Council Meeting. Seconded by Anderson. Motion carried.

City Receipts for September 2013 were \$28,405.73.

City budget reports for September were reviewed. Expenses for September were \$90,177.15.

Liquor Reports: Golf Course-Total net profit through September 30th is \$857.88.

Liquor Store-Total net income for September is \$3,060.50 and for the year it is \$14,674.04. Merschman asked if any funds were being built up for the bad months coming up, Jacobs stated no. Merschman asked if enough was being built up to put into the City funds the \$30,000 that was budgeted. Jacobs stated not at this point. He asked if this would be carried over to next year so that \$60,000 would get transferred. Mayor stated that it would have to be put into the cash reserves for winter time and the school reunion. It may be possible to take \$15,000 at the end of the year but he would like to wait until after the first of the year so that we know that payments to the bank can be made. Mayor asked if the Council has any other suggestions on what to do. Brovold stated that it is frustrating that the Liquor Store was built on the premise that it would increase money to the City to reduce taxes. Mayor agreed and stated that maybe in the spring funds can be transferred. There are things that are needed yet this fall for the Liquor store before winter. Does not look viable to pull \$30,000 out of the store. Brovold asked Manager Arnold if the sales projections are matching what he had projected. Anderson said that the expenses are high.

Motion was made by Brovold to pay the outstanding bills for the City and the Liquor Store. Seconded by Bonik. Motion carried. Liquor Store=\$29,460.71. City=\$102,529.27.

Chief Larry Peterson talked about the City Dog Ordinance. The Park Board would like to have something done about the dogs on the city beach area. Administrative citations would be feasible to do. Must prove the Ordinance is being violated. The City needs to set guidelines and you must have proof. There are a large number of details to be worked out. Not quite sure how citations would be given out, either by the Pound Master or Caretakers. Ordinance needs to be more defined. Merschman asked who writes the Ordinance. Chief stated that taking the recommendations of the Park Board and the Council, the City Attorney would need to write the ordinance. Rasmussen is still the City Attorney. Mayor stated that a search could be done on-line with other cities. Matter will be tabled until the next meeting. Mayor is hesitant to dump more on the park attendants. Chief said this could be a specific ordinance along with the park rules, which should be handed out to campers and those in the park. Mayor will check with the City of Park Rapids and with Flarity & Hood to see if they have done this. Brovold will bring this up at the next Park Board meeting.

Department Reports: Police Chief Larry Peterson. Peterson attended a training class in Fergus Falls which was a very informative meeting for him. Peterson is working with Web site worker Laura Dropps to put more information on the Police Dept. site.

Fire Department - Tony Marty has retired as a volunteer Fireman.

Zoning - Bill Masterson. The Family Dollar Store construction has begun.

Liquor Store - Manager Chris Arnold. All staff is back to work after medical leaves. Arnold would like to increase the advertising budget for the grand opening by \$1,100. Merschman would like to see the advertising kept local. Arnold is focusing in Gully, McIntosh and other local towns. The Halstad Shopper is cheapest in printing the flyers and would be inserted in the Advertiser. Cost to do the Independent and Shopper is \$403.00. Halstad Shopper cost is \$575.00 to print the flyer and put in the shoppers. 4,500 inserts would go into the Shopper. He also would like to put the flyer in with the City Utility bills. Grand opening events will begin the end of Oct. and during Hunting Season. Radio ads will be switched to do promos for the event. Anderson did not feel that Live Radio was needed at the store. Extra advertising

from Fosston would be \$200. Brovold feels that advertising is needed for the 2 week period. Mayor asked if there were still funds in the advertising budget to do advertising. Bonik asked if Arnold was going to do something to track the advertising use. Arnold said he could put in a coupon. Reps are bringing in some door prizes. Motion was made by Anderson to allow Arnold to spend up to \$1,500 on advertising for the grand opening specials. Seconded by Brovold. Motion carried.

Mayor stated that he instructed Arnold to look into a sign for the liquor store. Arnold found a neon sign for \$399.99. Anderson would like to look into it further and have Arnold bring more information to the next Council meeting. Arnold stated that he has been working of the profit form which Merschman would like to see done. He still needs to confirm the numbers with the City Clerk. Arnold also formed the Council that he, Edevold, and Netland did attend the MMBA meeting.

Parks & Recreation - Brovold stated that the repair of the shelter roof will be done next year. Board is talking about adding more sites. Mayor asked about extending the camping permit. Clerk is checking into this further.

Street Department - Superintendent Bill Masterson. Water break in Amber Court, roads are being patched in areas. He has not found a dump truck yet but has been testing out a couple loaders. One is a John Deere and the other is a Case. One has a lease option of \$2,200 per month with a buy out after 3 years. Mayor Michel said that he has spoken to Les Liljedahl, First National Bank, and they could look at doing a 10 year loan with manageable payments beginning after the first of the year.

Public Utilities - Mike Jenson, Manager. A number of gas lines are being put in. There have been two water leaks that were repaired.

City Hall - Deputy Clerk Faye Jacobs. Clerk Lindgren, Dennis Danielson (PUC) and Chris Putham from the MN Health Dept. have been working on an Evaluation/Work Plan for the Wellhead Protection Plan. Each Council Member received one of the plans in their packets. If they have any questions, they should contact Clerk Lindgren or Danielson.

Discussion held on the advertising of the Park Attendant position. A letter of resignation has not been received from Wayne and Rhonda Netland but Mr. Netland had verbally told Clerk Lindgren that they would not be returning and the Clerk has also sent them a letter asking for a letter of resignation if they were not planning on returning next summer. Deputy Clerk Jacobs stated that Mrs. Netland had also told her that she would be sending in a letter. Motion was made by Anderson to advertise for the Park Attendant position pending a letter is received from the Netlands, stating they are not returning. Brovold stated that Netlands can apply again if they want to return. Motion was seconded by Bonik. Motion carried. Masterson would like to be involved with the job description for the position and so would Chief Peterson. They were asked to contact Clerk Lindgren on this. Advertising will be done locally along with the City Web Page.

Motion was made by Anderson to approve Resolution #46-13 POWER SALES AGREEMENT BETWEEN THE CITY OF BAGLEY & NORTHERN MUNICIPAL POWER AGENCY. Seconded by Merschman. Motion carried.

Motion was made by Anderson to approve Resolution #47-13 PERA POLICE OFFICER DECLARATION. Seconded by Bonik. Motion carried.

Motion was made by Anderson to pay the membership fee of \$776.40 to the Minnesota Association of Small Cities for 2013-2014. Seconded by Bonik. Motion carried.

A letter was received from the Farmers Independent thanking the City for their support, along with a revenue check in the amount of \$193.10.

A report for September on the Small Cities Grant program was reviewed. 8 applications have been received and are active. \$55,690.58 has been disbursed.

Mayor would like to see bids taken on the old liquor store. Still needs to be advertised and the building needs to be cleaned out. Masterson asked if the council wants the flower bed taken out in front of the store. Brovold would like to leave it for now. Mayor would like to take it down and use the blocks for a flower bed at the cemetery. Masterson was told to do it if he has time. Water should be turned off at the old liquor store. Ad will be run on the City web page. Brovold would like to take the sale of the building until the next meeting.

Mayor stated that the meeting will now be closed for discussion on personal issues. 6.45 p.m.

7:30 p.m. Mayor reopened the meeting to ask for an extension on the meeting time. Motion was made by Anderson to extend the meeting by 5 more minutes. Seconded by Bonik. Motion carried.
Mayor closed the meeting again for personal issues.

Mayor reopened the meeting at 7:40 p.m. He thanked Council members for staying to help with issues. Motion was made by Anderson to adjourn the meeting. Seconded by Merschman. Motion carried.

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CITY COUNCIL PROCEEDINGS
OCTOBER 23, 2013

The Bagley City Council met on October 23, 2013 at 5:30 p.m. in the City Council Chambers.

Present: Mayor Sidney Michel, Council Members David G. Anderson, Chad Bonik, Dennis Merschman, Jon Brovold, and Clerk Treasurer Colleen R. Lindgren.

Mayor Michel updated the Council on an earlier meeting held by the Bagley Planning & Zoning Commission. An application for a Zoning Amendment was put in by Family Dollar Bagley Minnesota, LLC. asking to change the zoning from B-1 to B-2 on Lots 23,24,25,26 Block 3 Larson's Subdivision. The Zoning Board is making the recommendation to the Council to make this zoning change as outlined in a proposed Ordinance No. 172. Rational was to do such because the adjoining parcel is for the store and this parcel is for the parking lot. Motion was made by Merschman to pass Ordinance #172 AN ORDINANCE REZONING A PARCEL OF LAND AT 909 CENTRAL STREET AND 24 McDOUGAL AVE. IN THE CITY OF BAGLEY, CLEARWATER COUNTY, MINNESOTA FROM B-1 TO B-2. Seconded by Brovold. Motion carried. Ordinance #172 will be published in the Farmers Independent on October 30, 2013 and will be in effect after such publication.

Brovold asked if there had been any public concern. Mayor stated that it had to do with debris flying around, fencing, and an access to McDougal Ave.

Police Chief Peterson is working on recent concerns in the Police Department involving working rules for Police Officers.

The Public Utilities is working on getting the audio equipment set up for the Council Chambers. Public Utilities will pay for the whole thing and ask the Council to reimburse them ½ of the system.

Being there was no further business to come before the Council; motion to adjourn was made by Anderson. Seconded by Brovold. Motion carried.

CITY COUNCIL PROCEEDINGS
NOVEMBER 12, 2013

The Bagley City Council met in regular session on November 12, 2013 at 5:30 p.m. in the City Council Chambers.

Present: Mayor Sidney Michel, Council Members David G. Anderson, Dennis Merschman, Jon Brovold, and Chad Bonik. Also City Clerk Treasurer Colleen R. Lindgren and Deputy Clerk Faye Jacobs.

Also present: Police Chief Larry Peterson, Street Superintendent Bill Masterson, Public Utilities Manager Mike Jensen, Justin Dukek, Nick Thompson, Pat Bradley, Greg Brombeck, Fire Chief John Gerbracht, Doug Lindgren, and Jeanine Brand.

Motion was made by Merschman to approve the minutes of the October 15th and 23rd meetings. Seconded by Anderson. Motion carried.

City October receipts were reviewed. \$77,212.55 was received in October 2013.

City Budget reports were reviewed. There was an increase in all budgets to cover tax specials for all departments. Mayor asked Clerk Lindgren to explain the overtime wages for City Hall. At the present time the budget for overtime in the City Hall has all been used. Clerk asked if the Council wanted the hours limited to 40 per week or to keep going as is so there will be more over time used. Brovold asked that the Clerk monitor the hours and keep the Council updated on what has been used. Clerk stated that they do try to take some time off when a meeting does come up, to keep the hours close to 40 for each employee.

Clerk went over the budget for the golf course liquor. As of the end of October there was a net profit of \$1,000.88. A credit will be coming from the pop company so this will be going up by a small amount during November.

Clerk reviewed the Liquor Store monthly budget report. Gross profit for liquor sales was \$21,151.68 for October which is down from September by \$598.30. General expenses for October were \$21,693.23 plus depreciation of \$1,572.08 for total expenses of \$23,265.31. Subtracting the liquor gross profit, there is a loss of \$2,113.63 for the month. Clerk will find out from the banker on what the payments for next year will be. She and Liquor Store Manager Arnold plan on doing a 2014 budget for the next Council meeting in December. Bonik questioned the wage budget for October. The funds need to be transferred from the Liquor Store checking to the City checking and this was not done. To make it correct the Sept. expenses would be approximately \$2,500 more making a Sept. profit of approximately \$560 and an October profit of approximately \$400.

Clerk reviewed the outstanding bills for both the City and the Liquor Store. City outstanding bills for October total \$63,058.09. Liquor Store outstanding bills for October total \$22,767.98. Motion was made by Anderson to approve paying the City and Liquor Store outstanding bills for October. Seconded by Brovold. Motion carried.

Clerk was instructed to open the bids for the remodeling of the "new" library building.

- 1) Roy Abraham Construction - \$58,605. Bid did not state how many days he will need to complete the job and did not acknowledge the addendum.
- 2) Diversified Builders & Design - \$66,900. Bid stated 90 days to complete and acknowledged the addendum.
- 3) Gordon Construction of Mahanomen, Inc. - \$67,461. Bid stated 90 days to complete and acknowledged the addendum.

Patrick Bradley, representing Lucachick Architecture, discussed the bids with the Council. He will contact Abraham Construction on the dates and addendum. Jeanine Brand, Clearwater Library Foundation will discuss the bids with the Board and Bradley and bring their recommendation back to the City Council. Paint and carpet are not included in any of the bids. Mayor stated that a meeting can be set quickly after getting the recommendation back from the Library Board.

Justin Dukek and Nick Thompson were present to discuss the ability to obtain a Liquor License within the City Limits. They are proposing to purchase the Crandall Sports/Short Stop store to put in a restaurant/bar/grill with seating for approximately 100. They would like to apply for a liquor license and Sunday license. The gasoline pumps would be coming out. Clerk stated that she has contacted State Liquor Control and the City Attorney and the City can issue another license. Dukek and Thompson will need to have the building inspected and get all the appropriate paper work to the City. Clerk stated that a background check stipulation is in the City ordinance which will need to be done. Application, workers comp insurance and fees are needed before anything further can be done by the Council. Bonik asked if the Council would want to reserve a license for this project. Motion was made by Bonik to reserve a license for Dukek and Thompson pending all paperwork, insurances and background checks are in order. Seconded by Anderson. Motion carried.

Motion was made by Merschman to set the Truth In Taxation Public Hearing for December 10th at 7 p.m. Seconded by Anderson. Motion carried.

Motion was made by Merschman to set the Continuation of the Truth In Taxation hearing for December 12th at 6 p.m. Seconded by Anderson. Motion carried.

Final budget numbers for 2014 will be discussed at a City Council meeting on December 17th at 6 p.m. Due to the 4th Wednesday is on December 25th, December 17 will be the final meeting of the year.

Motion was made by Anderson to pay the invoices in the amount of \$7,000 for the Small Cities Grant Program. Seconded by Brovold. Motion carried.

Department reports: Police Department-Chief Larry Peterson. One of the harmonic computers is not working correctly. The County MIS Dept. will look into this for him. Annual evaluations for Officers are being worked on. Some changes have been made to the Policies. Members were emailed this information. A dumpster will be put in the alley near the buildings generator, which will be shared by the Police Dept. and the Fire Dept.

Fire Chief John Gerbracht. The grant for the Turn Out Gear has been wrapped up. The grant dollars applied for was \$43,450.00. The grant will cover \$41,278.00. Total cost of gear is \$44,092.21. 2 more sets of gear and 1 helmet need to be ordered yet. Gerbracht said that he thought the Council had originally approved spending \$50,000 for the gear. Clerk will check into this further on what was approved at an earlier meeting of the Council. All trucks are now DOT checked.

Liquor Store. Clerk reported that Liquor Store Manager Chris Arnold has stated he has had good response to the flyer which is being advertised. Manager Arnold will be on vacation December 2-13th. Arnold and Clerk Lindgren will be doing a beer inventory on November 17th.

Zoning-Bill Masterson. There have been some issues of the workers doing the Dollar Store parking on the street and blocking it.

Park & Recreation-Chairman Doug Lindgren. Park is closed down for the winter.

Street Department-Superintendent Bill Masterson. Masterson has looked at a truck in Mankato. The truck is a 1992 International with 52,000 miles. Box is not in the best condition but Gary Gesell has said that he could fix it for around \$1,500. Truck cost is \$9,900. It needs two steer tires which will cost around \$1,000. Truck would be used for a winter snow haul truck. New box and paint would cost around \$3,100, but is not needed. It does come with a reversible plow. Robert Godwin has stated that he could deliver the truck to the City for \$1,050. Motion was made by Brovold to go ahead with the purchase of the 1992 International truck, line up the box repairs, get tires and the transportation back. Seconded by Merschman. Motion carried.

The salt shed material has been gotten but building has not been started as of yet.

Masterson has gotten prices on a new loader. Costs were from \$130,000 for a Duson/Korean made to Caterpillar which is \$138,650. Masterson feels if the Council wants to get one it should be ordered before January 1, 2014 because State prices will go up at that time. Caterpillar does have a lease program of 84 months at \$1,954 per month, 2.95%. Brovold asked about financing through the First National Bank and see what the options are. Caterpillar has a 5000 hour warranty. Masterson said that he could get another loader ordered but the one from Caterpillar is already here as a demo. Motion was made by Merschman to purchase the Caterpillar Loader that is at the City Garage already and Masterson is to get the financing worked out. Clerk is to email Council Members on the best way to do the financing. Seconded by Brovold. Motion carried.

Mayor asked if the water has been turned off at the old liquor store yet, stating that it should get done soon. Clerk reported that there is someone coming in to look at the store this week. Mike Jenson reported that the Public Utilities has tried to turn the water off but could not get the valve turned off as of yet.

Public Utilities-Mike Jenson, Manager. The Skype equipment for the Council Chambers should be here next week. Results on the rehab of Well #4, which was done last year, have been received and they are good. Gas lines at the new Dollar Store are being installed.

City Hall-Colleen Lindgren, City Clerk Treasurer. There will be a group coming into the City next Friday on horses, to bring attention to the Sand Piper Oil Line. A man from the White Earth Recovery Program would like to meet with the Mayor and any Council Members who would like, to discuss their programs, radio station and the Sand Piper Oil Line. He has asked to meet on Nov 20th at 10 a.m.

Motion was made by Anderson to approve Resolution #48-13 AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT OF TRANSPORTATION GRANT AGREEMENT FOR AIRPORT MAINTENANCE AND OPERATION. Seconded by Merschman. Motion carried.

The League of MN Cities Newly Elected Officials: 2014 Leadership Conference will be held in Brooklyn Center on January 31-February 1, 2014. All members declined to attend.

Discussion was held on the area of Snow Removal in the City. Mayor has spoken to Les Liljedahl at First National Bank concerning the plowers putting snow into the city street. Liljedahl said that they would be willing to pay something if

this is what the city decides. A standard policy has not been established. The city does not want to compete with the private sector. Masterson feels that the City cannot compete with local contractors. His biggest issue is when all the snow is piled in the streets from the businesses. Brovold asked if it would make sense to come up with an agreement to contact local contractors when this happens and then they get paid from the businesses. Clerk was asked to call the League of MN Cities to ask what the City can legally do about the snow problems. Also what to do about sidewalks, business & private. Masterson would like to see a policy on sidewalks. Is a public hearing needed to get a policy in place? Members talked about running an ad on the City cable TV about sidewalk cleaning. Also putting an ad in the paper and putting a flyer in with the City Utility bills. Residents and businesses are liable for the snow and ice in front of their property.

Chief Larry Peterson said that he has been working more with Laura Dropps on the City Web Site. They have now set up a page where people can log in and make complaints or reports on line and ask questions and get answers.

Mayor asked if the old Liquor store has been advertised. Clerk stated that it is on the City Web site, Kraig's list, and will also be in the City paper. There is someone that will be looking at the building this week.

Being there is no further business to come before the Council; motion to adjourn was made by Anderson. Seconded by Brovold. Motion carried.

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CITY COUNCIL PROCEEDINGS NOVEMBER 22, 2013

The Bagley City Council met in special session on November 22, 2013 at 7:30 a.m. in the City Council Chambers.

Present: Mayor Sidney Michel, Councilmen Dennis Merschman, David G. Anderson, and Jon Brovold. Also present was Deputy Clerk Faye Jacobs.

Councilman Chad Bonik was absent.

Discussion was held on the awarding of bid for remodeling the new library location. Jeanine Brand had sent an email stating, "I have received a majority vote to award the bid to Roy Abraham and make that recommendation to the City Council." Motion was made by Anderson to accept the bid of Roy Abraham in the amount of \$58,605 for the Renovation of the Clearwater Library. Seconded by Brovold. Motion carried.

Discussion was held on Resolution #49-13 pertaining to Aquatic Plant Management Program. Jacobs stated that she understood it to be the DNR is unhappy how things are working now and that permit fees be raised from \$35 to \$90. Merschman would like to wait until more information is heard. Motion was made to table the resolution until the next City Council meeting. Seconded by Anderson. Motion carried.

Being there was no further business to come before the Council, motion to adjourn was made by Anderson. Seconded by Brovold. Motion carried.

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CITY COUNCIL PROCEEDINGS NOVEMBER 27, 2013

The Bagley City Council met on November 27, 2013 at 5:30 p.m. in the City Council Chambers.

Present: Mayor Sidney Michel, Councilmen Dennis Merschman, Jon Brovold, David G. Anderson, City Clerk Treasurer Colleen R. Lindgren, and Deputy Clerk Faye Jacobs.

Absent: Councilman Chad Bonik.

Also present was Street Superintendent Bill Masterson.

Discussion was held a Resolution proposed by PLM Lake and Land Management Corp, asking for the Councils help to make changes to the MN Dept. of Natural Resources Aquatic Plant Management permit program. Masterson explained that the Legislature wants to raise permit fees for \$35 to \$90 to cover all processing fees. PLM is proposing to save time and fees for Cities, which cover the fee for working in lakes. Motion was made by Anderson to approve Resolution #49-13 TO SUPPORT MORE EFFICIENT, COST-EFFECTIVE AQUATIC PLANT MANAGEMENT PERMIT PROGRAM. Seconded by Merschman. Motion carried.

Motion was made by Merschman to approve the eighth draw request for the Bagley SCDP project in the amount of \$27,245. Seconded by Brovold. Motion carried.

Discussion was held on the contract with Laura Dropps who is working with the City Web site. Dropps has put in a lot of time on the site and has also set up sites to help sell equipment and has put on job positions, all of which was not included in her contract. Clerk asked if the Council would pay ½ of Dropps contract amount and the other ½ in 2014. Mayor asked if the Council would be willing to pay Dropps more for all the extra work she has done on the site. Brovold asked if the \$1,000 was for the calendar year. Clerk said that this amount was for a one year period. Brovold asked about the \$1,000 for 2013 and Anderson said maybe \$1,250 for 2014. Clerk will speak with Dropps on what she feels should be charged for 2014. Motion was made by Brovold to pay Dropps \$1,000 for 2013 fiscal year Web Site work. Seconded by Anderson. Motion carried. Clerk will work with Dropps on a contract for 2014.

Snow Plowing Policy. Mayor Michel stated that he has spoken to Attorney Chris Hood concerning a policy for plowing snow within the City. Attorney Hood's opinion is that as far as doing snow plowing for the private sector, he is against that. As for snow removal, the City would need to charge fair market value being you would be competing with the private sector. When snow is piled up to make a hazard, then the city would need to remove it and charge the landowner for it. Masterson stated there are a few areas in the City which he needs to move. Masterson charges the County \$100/hour for using the loader for snow removal hauling plus \$180/hour for two trucks. Brovold feels these numbers sound fine. Discussion was held on what areas in the City will need to be kept clear of snow. Masterson said that the League has frowned on cities clearing private areas and Clerk Lindgren said that there may be a problem with the Cities Insurance covering anything on private property. Motion was made by Merschman to have a policy that the City charge \$100/hour for loader use and \$90/hour for trucks to haul snow for the private sectors. Brovold questioned how can the city do this if not covered by insurance. Mayor said that if it is a hazard, then we should be removing the snow because we are liable. Merschman stated that all snow piles are probably hazards. Brovold asked about how many hours Masterson spends in a snow period on hauling snow. On one pile it takes about 2 hours with three trucks. Merschman stated that if we haul it and it isn't a big issue, why charge for it. Merschman recinded his motion. Brovold stated that the business snow is intermixed with the street snow. He feels that Masterson could suggest to the business's to make a donation to the park fund or something like that. Motion was made by Brovold to approve the CITY OF BAGLEY STREET DEPARTMENT SNOW PLOWING POLICY. Seconded by Anderson. Motion carried. Clerk was asked to put an article in the Farmers Independent paper and on Cable TV.

Motion was made by Brovold to adopt the CITY OF BAGLEY STREET DEPARTMENT POTHOLE REPAIR POLICY. Seconded by Merschman. Motion carried.

Motion was made by Brovold to adopt the CITY OF BAGLEY STREET DEPARTMENT SIDEWALK INSPECTION AND MAINTENANCE POLICY. Seconded by Merschman. Motion carried.

Discussion was held on possible financing for a new loader for the Street Department. Amortization schedules for 7 years, 10 years (monthly payments) and a semi yearly schedule was looked into. Motion was made by Merschman to contract with First National Bank for a 7 year loan of \$138,900, 2.95%, monthly payments at \$1,832.22, with payments to begin February 20, 2014. Seconded by Brovold. Motion carried.

Discussion held on the 2014 Budget. Mayor would like to go through some of the items, and asked if the Council wants to look at cutting \$40 plus thousand so the levy does not need to be raised from 2013. Brovold asked if the \$49,257, which is a proposed levy increase, there is a \$51,000 increase in LGA. Is this amount already figured into the budget? Clerk stated that it is. Mayor would like to use the 2013 budget numbers for 2014. Discussion was held on special

assessments for the Kastner Lots and the new Library. Clerk told the Council that they could certify to the County Auditor to defer the specials on these lots. She will check with the County Auditor on this.

Mayor asked if the Council wants to try cutting. Brovold would like to still scrutinize the budget somewhat and keep in mind that wages are not going up 5%, expenses are but income is not. Mayor looked at the Capital expenses which are lower in 2014 by \$50,000. He feels that a building over the lift for the Police Dept. is not needed but still do the lift. This would cut \$7,580 from the Police capital outlay. Mayor would like to find a good used lift so \$7,420 could be cut from the lift cost also. Discussion was held on the park department capital outlay. Lindgren has finished the Frog Pond ditching but billing has not been received yet. Agrilime dollars will be kept until next summer, which a match has been received from the Softball Association. Park Board will be meeting to discuss their budget soon, and will decide about carrying over funds not used in this years budget. Park capital outlay budget could be cut \$6,000. Brovold stated the park board wants a golf cart and not a 4-wheeler or ranger due to the fact others will see it and then think they should be able to do so also. Further discussion was held on where and who to cut, but no decisions were made at this time.

Brovold brought up the fact that the City has no accounting for the money the liquor store is to put into the City coffers. City Hall budget will come up short unless the old liquor store building gets sold. Anderson said that he thought the funds should go into the liquor store. Brovold disagreed by saying it should not if they are not paying the City. Merschman said that the City also had to put out extra money on infrastructure. Brovold said that it is frustrating that the Liquor store, with all the planning and numbers was suppose to pay off and hasn't. Mayor does not feel that even \$15,000 will be able to take out, being it might strap the store for next year. Clerk stated that it should be discussed with the Auditors, because the building is city owned, not liquor store. Clerk will check on this with the auditors.

Discussion was held on whether or not to purchase a snow blower in 2014 or still use the one which the City has now.

Mayor stated that he has spoken to Tim Flathers, HRDC, on the idea of putting some Senior Apartments in the Kastner Divison. Can TIF dollars be used for such? Flathers will be looking into this further and get back to the Mayor. Anderson feels it would be an ideal time to look into this.

Being there was no further business to come before the Council, motion to adjourn was made by Anderson. Seconded by Brovold. Motion carried.

CITY COUNCIL PROCEEDINGS DECEMBER 10, 2013

The Bagley City Council met in regular session on December 10, 2013 at 5:30 p.m.in the City Council Chambers.

Present: Mayor Sidney Michel, Council Members Dennis Merschman, Jon Brovold, David G. Anderson, and Chad Bonik, Deputy Clerk Faye Jacobs, and City Clerk Treasurer Colleen R. Lindgren.

Also present: Street Superintendent Bill Masterson, Police Chief Larry Peterson, Utilities Manager Mike Jensen, Liquor Store Manager Chris Arnold, Heather Galli, Doug Lindgren, and Ciera Hartman.

Mayor announced that the Truth In Taxation Hearing will begin at 7 p.m.

Motion was made by Merschman to approve the minutes of November 12, November 22, and November 27th as written. Seconded by Anderson. Passed unanimously.

Heather Galli was present to update the City Council on the 2014 All School Reunion. A more solid schedule will be given out at a later date. There will be a Web Site up soon. Water Wars will be set up at the Fairgrounds instead of the City Park, which will be in conjunction of a Demolition Derby. Other events will be held at the Frog Pond. A lot of requests have come in for a Street Dance. The "Roosters" have been lined up and the Committee has spoken to Clearwater County on the county aid road between Farmers Independent and Lillegaards Apts. The Reunion Committee will be paying for the band and a tent. Different businesses have been contacted about serving Liquor at the dance. Larry Bellefy would be interested in serving the liquor under his license. The County has requested a \$3 million insurance policy for the use of the street area. Galli would like to know where the City Council would stand on this event. Area would need to be blocked off. Discussion was held on the fact the road goes slightly downhill. Merschman asked if they have talked to River Wood Bank. Galli feels they are only open until noon so it should not be a problem. If

Bellefy wants a Temporary Liquor License he will need to apply to the City and then it gets sent to the State for their approval. Galli will come back to the Council if anything else is needed.

November City Receipts in the amount of \$19,476.13 were reviewed.

November City Budget reports were reviewed. Total expenses were \$163,913.29.

November Liquor Store budget was reviewed. 2013 Net Profit for Liquor at the Twin Pines Golf Course is \$1,013.91. November Net Profit for the Municipal Liquor Store is \$ 4,414.58 and for the year \$38,724.97 less capital outlay of \$8,521.59 for a total year to date net profit of \$30,203.38. Mayor Michel asked if a 2014 budget has been figured for the Golf Course and would like one done before the spring season. Arnold said that he will speak with the Golf Association on next summer events.

Outstanding expenses are as follows: Liquor Store - \$21,285.29 and the City - \$23,569.70. Motion was made by Merschman to pay the outstanding bills for the Liquor Store and the City of Bagley. Seconded by Brovold, passed unanimously. Clerk explained to the Council that the correct quotes for the City Garage Salt Shed are as follows: Hillside Lumber-\$6,303.18 and Westwood Building Center-\$6,270.01.

Clerk opened the bids for the sale of the old Municipal Liquor Store and coolers. Daniel Swanson - two door cooler - \$380.00. Motion was made by Brovold to approve the bid of D. Swanson for \$380. Seconded by Anderson, passed unanimously. Building bids: Daniel Swanson - \$46,550. Bryan Nelson \$45,500 for the building and to include walk-in cooler. Motion was made by Merschman to accept the bid of David Swanson for \$46,550, not to include the cooler. Seconded by Bonik, motion carried. Merschman has a person that he has been speaking with about buying the walk-in cooler. There were no bids received on the 3 door cooler or the walk in cooler.

A contract for doing the 2013 Audit with Miller McDonald was reviewed. City cost would be \$8,350; Liquor Store-\$3,480; Public Utilities-\$9,050. Motion was made by Brovold to approve the contract with Miller McDonald to do the 2013 Audit. Seconded by Anderson, passed unanimously.

Motion was made by Anderson to approve the contract between the City of Bagley and Laura Dropps, to manage the City Web Site, at a cost of \$1,000 for Jan. 1, 2014 to December 31, 2014. Seconded by Brovold, passed unanimously.

A copy of the Capital Improvement Program Report for the City Airport was reviewed.

Department Reports: Police Department Chief Larry Peterson. Chief asked for approval to send three Officers to Technique Interview and Interrogation seminar being held in Bemidji on January 28 & 29, 2014. Cost is \$380 per person and is POST approved. Motion was made by Brovold to allow three Officers to attend the seminar. Seconded by Bonik, passed unanimously.

Concerns were heard about speeding vehicles coming into the City from the East early in the morning. Peterson will work on schedules of Officers and check with the State Patrol on the matter.

Zoning-Bill Masterson. Family Dollar Store is setting steel on their building.

Liquor Store-Manager Chris Arnold. Grand Opening went well, along with Thanksgiving and Deer Hunting. December wages will be up due to his taking vacation time. Members asked when the wine tasting will begin again. Arnold said that he would be holding one for Christmas. Brovold stated that the room was built for wine tasting and it best be used.

Park Board-Chairman Doug Lindgren. The term of Amanda Brustad is up and the Board asked that the Council reappoint her to the Board. Motion to do so was made by Brovold. Seconded by Merschman, passed unanimously.

Two applications were received for the 2014 Park Attendant Position. The Board would like to recommend to the Council to hire Mike & Elaine Brustad to fill the position. Park Board also informed the Council that Amanda Brustad reframed from any discussion on the subject and abstained on any motions by the Board. Motion was made by Merschman to approve the hiring of Mike & Elaine Brustad for the 2014 Park Attendant Position. Seconded by Brovold, motion carried. Start date is May 1st and goes to September 15th. Motion was made by Merschman to pay the Attendants at the starting rate of \$1,500 per month. Seconded by Anderson, motion carried. Lindgren stated that the Park Board is concerned about the budget. They have a number of projects they would like to continue with in 2014. A lot has been accomplished with volunteer people. They would like to do the Shelter roofs in 2014. The Frog Pond water project was completed. They would also like to add on some sites to the north and the

Tennis Court is also being looked at for repairs. The swing set and slide will be moved down to the lower area of the park. Brovold feels that the repair budget looks like it will have funds left in it so the roof repair should be able to come out of that. Estimate on material for two roofs was approximately \$6,000.

Street Dept. - Superintendent Bill Masterson. Report was given on the gas and labor used so far with the last snow fall. Masterson would like to purchase a blank plate to make a blade for the new loader. Estimated cost for the blank plate is \$2,370. A ready-made blade is between \$4,000 to \$8,000. Motion was made by Brovold to allow Masterson to order what he needs to do the project. Seconded by Bonik. Motion carried.

Public Utilities-Manager Mike Jensen. The antenna in the Speed sign south of the city may not be working, and needs repairs. Water is off at the old Liquor Store. MNOPS inspection was done today. Sewer line project has been completed.

Motion was made by Brovold to approve Resolution #50-13 ADOPTION OF THE CLEARWATER COUNTY HAZARD MITIGATION PLAN: UPDATE 2012. Seconded by Bonik, passed unanimously.

Motion was made by Anderson to allow employees to close City Hall at 12 noon on December 24th. Seconded by Bonik. Motion carried.

Motion was made by Anderson to approve the 2014 Dance Permit for the American Legion. Seconded by Bonik. Motion carried.

Motion was made by Anderson to approve the 2014 Club License for the Bagley American Legion. Seconded by Bonik. Motion carried.

Motion was made by Anderson to approve the 2014 Liquor License for the Great Northern Bar & Grill. Seconded by Bonik. Motion carried.

Motion was made by Anderson to approve the 2014 Liquor License for Main Street Tavern and the Bowl Inn pending proper insurance is received. Seconded by Bonik. Motion carried.

Motion was made by Anderson to approve the 2014 Sunday Liquor License for the American Legion. Seconded by Bonik. Motion carried.

Motion was made by Anderson to approve the 2014 Sunday Liquor License for Main Street Tavern and Bowl Inn, pending receipt of insurance certificate. Seconded by Bonik. Motion carried.

Motion was made by Anderson to approve the 2014 Wine License and the 3.2 License for DaRoos, pending receipt of insurance certificate. Seconded by Bonik. Motion carried.

Motion was made by Anderson to approve the 2014 Pawn Brokers License for Bagley Motor Sports pending receipt of insurance certificate. Seconded by Bonik. Motion carried.

Mayor Michel talked about a Market Evaluation for senior housing within the City. Tim Flathers, HRDC has sent a proposal to the Mayor from Woods Consulting Group. The proposal would be to do the market evaluation for the cost of \$2,500. Flathers would prepare a proposal to the Northwest MN Foundation on behalf of the City asking for funds to help pay for the work to be done. For an additional \$500, Flathers feels the City could do a study for family housing also. Brovold questioned what the Council would do with the study. Mayor stated the study is for people who are interested in building in the City. Brovold asked if it wasn't the responsibility of the interested parties to pay for the study. Flathers had told the Mayor that it is the City that usually pays for the study. The City needs to show a need for such housing. Funding for this project could be taken out of the Economic Development budget. Mayor stated there are interested parties to build a building. Motion was made by Merschman to approve contracting with Woods Consulting Group for \$2,500 to do a study for both market rate senior housing and "affordable" senior housing. Seconded by Anderson. Motion carried.

Discussion held on financing for the Street Dept. loader. Information received at the last meeting was incorrect. A corrected payment schedule has been received from First National Bank. Motion was made by Merschman to rescind the motion from the last meeting, contracting with First National Bank for the street dept. loader financing. Seconded by Bonik. Motion carried. Motion was made by Merschman to accept the 7 year contract with First National Bank and

put \$138,900 into a CD to use as collateral for the loan. Seconded by Anderson. Motion carried. (Resolution #51-13 financial agreement between the City of Bagley and First National Bank of Bagley.)

Motion was made by Brovold to approve the following dates for the 2014 City Council meetings, with all meetings to be held at 5:30 p.m. in the City Council Chambers: January 14 & 22, February 11 & 26, March 11 & 26, April 8 & 23, May 13 & 28, June 10 & 25, July 8 & 23, August 12 & 27, September 9 & 24, October 14 & 22, November 12 & 26, and December 9 & 17. Seconded by Merschman. Motion carried.

Motion was made by Anderson to adjourn the City Council meeting. Seconded by Brovold. Motion carried.

7 p.m. TRUTH IN TAXATION PUBLIC HEARING

Clerk announced that at this time discussion is to be held on the 2014 Budget.

Clerk informed the Council that the proposed budget shown is the one which was approved by the Council on September 5th 2013.

There were no City residents present. The proposed budget would raise the levy by \$49,257 over the 2013 budget, which would be an 8.57% hike in the levy. Anderson would like to cut some but not everything due to winter storms he would like to have some extra in the budget in case the storms hit hard in the next fiscal year. Mayor Michel would like to follow the 2013 budget and he feels comfortable to stay with the same budget as 2013. Raises for employees, which were added into the budget, would not take effect until July 2014 so they would be for half a year and that would be a savings. If the levy does not get raised for 2014, he would like it noted that there could be an increase in 2015 if the LGA were to be changed.

Discussion held on the sale of the old Liquor Store. City Auditors have explained that the dollars generated from the sale would need to go into the Liquor Store account and then be transferred back to the City accounts. This would cover the \$30,000 which is to be transferred to the city accounts from the Liquor store accounts. Mayor would like to request that when the sale funds come in, a walk behind floor scrubber is purchased for the Liquor Store. Brovold stated those funds need to be accounted for because he does not agree that City funds are sitting in an account to pay liquor store bills that they are not generating their own money for. The new store was built on the premise that it would pay for itself and be a profit center. Mayor feels that if it is projected out for next year with the school reunion, there should be at least \$20,000 to transfer to the City. He does feel that the new store still needs a large open sign and some equipment inside such as floor dryers and a scrubber.

Mayor asked what the Council would like to do with the budget. "Do you want it as is or cut it by \$25,000 to keep funds for fuel and such?" Brovold asked what exactly was decided on the snow blower. He would like to keep the blower in the budget and build up funds for it. Masterson said that he has looked into used ones. Mayor feels it can be put on hold.

Doug Lindgren asked to speak. He stated that he has worked on budgets when he was on the Township board. He does not like to see taxes go up but you have to continue to grow. He does not feel it is feasible to cut because of everything increasing in cost, that they should increase the levy a little bit. Merschman stated that an increase in LGA was gotten. Mayor stated that there is no guarantee on what will be gotten out of the liquor store this year or next. Brovold agreed with Lindgren, and it is the job of the Council to scrutinize what they have. Mayor still thinks that the 2013 budget will work for 2014. There are some increases in the City Hall budget due to new expenses on the new library location.

Discussion was held on where to cut. Clerk stated that as far as what the Council had previously talked about was cutting the Police Dept. lift area down to \$5,000 and cut the building addition for the lift by \$7,580 due to designated funds. Brovold feels that the Police Dept. capital outlay be reduced \$12,000. Mayor stated that extra money had been set aside for the park. Brovold said there are some designated funds in the park budget and the park board would like to use those for larger projects such as a fishing pier.

Mayor said the board has taken out the \$1,000 from the Fire Dept. furnace. Merschman asked about all the repair funds in the Park budget that have not been used. Clerk stated that the funds left in the 2013 budget may be needed in another department to balance out the 2013 year, such as fuel in the Street Dept.

Capital expenses still have \$3,000 in hanging flower planters, take out the Fire Dept. furnace and \$12,000 in the Police Dept. It is unknown yet about the tennis court repair. Doug Lindgren stated that the Park Board is concerned that if you wait too long it might not be good enough to repair. He feels the court is a small draw to the park.

Merschman discussed taking \$20,000 from the snow blower, \$3,000 from the hanging flowers and \$12,000 from the Police Dept. lift and leave the balance for the rest of the project, and \$1,000 from the Fire Dept. furnace, and also take \$5,000 from the park capital outlay.

Mayor still feels comfortable with the 2013 budget. Clerk stated that this is a Public Hearing and the Council can recommend these changes and bring to the Council meeting next week. Mayor would like to see the capital expenses kept so that when equipment is needed that there are funds for such. Bonik stated he agreed with Doug Lindgren. The Council raised taxes a few years ago and everyone was in a big turmoil of taxes going up. He would like to keep these numbers that are manageable. Then if the state nails the city in a couple years, there are funds to do repairs if needed. He likes to see small steady growth. Clerk was asked to run the numbers as such: cut the total capital outlay by \$28,000 - \$15,000 from the snow plow, \$12,000 from the Police Dept. lift and \$1,000 from the Fire Dept. furnace budget.

Mayor announced that a continuation meeting will not be held on Thursday December 12th. The Council will meet for final budget decisions on Tuesday December 17th at 6 p.m.

Mayor closed the Public Hearing at 8:20 p.m.

CITY COUNCIL PROCEEDINGS DECEMBER 17, 2013

The Bagley City Council met on December 17, 2013 at 6 p.m. in the City Council Chambers.

Present: Mayor Sidney Michel, Council Members David G. Anderson, Chad Bonik, Jon Brovold, Dennis Merschman, and City Clerk Treasurer Colleen R. Lindgren.

Also present: Street Superintendent Bill Masterson, Police Chief Larry Peterson, Doug Lindgren, Ciera Hartman and Liquor Store Manager Chris Arnold.

Discussion was held on the 2014 City budget. Clerk informed the Council that she did make the changes to the budgets which the Council asked for at the December 10th meeting. Under Capital Outlay: Street Dept. loader was raised by \$1,651 to cover payments and \$15,000 was cut from the snow blower. \$12,000 was cut in the Public Dept. for the lift/building construction. \$1,000 was cut from the Fire Dept. furnace. With these cuts it brings the levy down to a 3.7% raise over 2013. Without these cuts the levy would go up 8.5%.

Mayor asked for opinions from the Council. Merschman asked if the Council was shooting for a 0% increase. Anderson stated that he is comfortable with where the budget is at now. Mayor would not mind if the Council wanted to cut it even more. Anderson asked about putting \$10,000 more back into the Street Dept. budget due to fuel costs. Merschman spoke about the repairs & maintenance funds in the dog pound and if it is needed. He also feels the Capital expenses for the Park could be cut some being they have not been cut yet. He would like to bring forward the funds not used this year, to designated funds, and then not so much would need to be put in the 2014 funds. Mayor asked Doug Lindgren if that would work for the Park Board. Lindgren said the Board had made plans to use those funds in the coming year. Merschman would still like to see those funds put into the designated funds or shift to the Street Dept. for fuel. Brovold feels the maintenance funds may have some dollars in it for repairs. Merschman asked if the Council is looking at shifting funds around and Anderson agreed so the levy would not be changed. Mayor would like to use fore sight so that at the end of the year funds do not have to be shifted around between departments and plan ahead. Merschman asked if Lindgren had gone to any of the Townships making a personal pleas for funds to help pay for Park projects. Lindgren said that is up to the Council. Motion was made by Merschman to take \$5,000 out of the Park Dept. capital outlay lot expansions and transfer it to the street dept. fuel budget for 2014. Seconded by Brovold. Motion carried. Motion was made by Merschman to accept the 2014 budget as proposed with the before mentioned change. Seconded by Anderson. Motion carried.

Discussion was held on employee wages for 2014. Mayor stated that the wages should be looked at in June after the City knows if the LGA gets changed or not. All raises should be given on July 1st if any raises are to be given. Masterson asked to speak on the subject. He stated that he is going to have a hard time telling his employees that they don't get

a raise when the Utilities workers do get a 2% raise. In the winter there are times his workers start at 2 or 3 a.m. and go until 3:30 p.m., sometimes not taking breaks. Mayor stated that they are under union contract. Clerk stated the Utility men are under union contract but not those that work in the office and they also got a 2% raise. Masterson feels that if they get a raise, so should the City Street dept. Mayor stated he has no control over that and it is a separate identity. Brovold stated that he does not agree with that and no matter when raises are put into effect they have to be budgeted for at some point. Mayor feels that if LGA gets cut then the City would be short. Brovold stated that you then make adjustments. Clerk argued for all employees stating that it keeps up the morale of the employees if they are given some kind of raise. Merschman asked what dept. they are talking about. It would be the street dept., city hall employees and the Police Chief. Clerk stated that raises were figured in the 2014 budget for all departments. Mayor does not think that raises needed to be given out until July when it is known what the Governor is going to do with LGA. He felt it was agreed on by members, but it can be changed at any time. Motion was made by Brovold to not make any changes to the budget and wage increases to begin in January 2014 as per budget. Seconded by Anderson. Motion carried.

Motion was made by Anderson to set the 2014 City Levy at \$592,642. Seconded by Bonik. Motion carried.

Clerk read a letter from Terri Knutson, Bagley Library Board Member, requesting the Council's approval of a \$50 payment to sponsor & promote reading during the winter break to the Bagley Elementary students. These funds would come out of the Dorothy Tjolson memorial funds. Motion to approve was made by Anderson. Seconded by Brovold. Motion carried.

David Hengel, Greater Bemidji, has invited the Council to do a walk-through of the new Sanford Clinic on Friday December 20th at 10:30 a.m.

Motion was made by Brovold to approve payment of the Small Cities Development Program invoices. \$6,306.95 to the Headwaters Regional Development Commission and \$6,790 to Construction Consulting & Inspection Services. Seconded by Bonik. Motion carried.

Discussion was held on the appointment of a member to the Public Utility Commission. Mark Edevold's term expires on December 31, 2013. Councilman Merschman put in a request for Tom Lillegaard to be appointed to the board. He is a business man and has agreed to accept the position. Mayor Michel stated that there has always been a businessman, a resident and one of the City Council and he believes that should continue. One thing that should be stressed is that if a businessman sits on the Council or Utilities Board, it is recommended that the City not do business with him or she due to a conflict could arise. Mayor feels that this appointment has always been done at the January meeting. Motion was made by Anderson to table the appointment of a Public Utilities Commissioner until the January 2014 meeting. Seconded by Brovold. Motion carried.

Mayor asked if Councilmembers say his email concerning a multi-family unit study being done along with the senior study for the city. Members agreed to stay with the Senior Study only.

Discussion was held on a 2014 Liquor Store budget. Payment schedules for 20 years and 25 years were reviewed. Brovold stated that the Council could pay ahead if they were to take the 25 year schedule so he is in favor of this. Interest rate is 4% on both. Motion was made by Brovold to approve signing a 25 year loan payment to First National Bank. (\$697,131.41 at 4%). Seconded by Bonik. Motion carried.

2014 Liquor Store budget was discussed. Mayor feels that the \$30,000 transfer of funds maybe should have been taken out, due there may not be enough funds to transfer. This may make a short fall in the City budgets. Merschman feels it should be kept in the income side in hopes that it can be paid to the City. Mayor asked Manager Arnold about the projected sales for 2014. Arnold stated that the gross profit is very thin projection. He feels there will be an 8% growth in profit if sales continue as they are. Golf Course is not included in the proposed budget. Mayor feels that more help will be needed during the All School Reunion. Anderson said that the Golf Course should be asked to cover the 4th of July. Clerk reported that she has put an advertisement in the Bagley paper for call-in help. Brovold said that the budget is what it is and he feels that Arnold is there to manage the staff to make the most profit of that building for what he is doing and to staff appropriately. He also agrees with Merschman that the \$30,000 should stay in the budget.

Speaking on the budget, Arnold is concerned on the costs of the credit cards. The MN Municipal Beverage Association has a company that they work with that may give a better rate. He would like to check into this. Brovold told Arnold to keep checking into it.

Being there was no further business to come before the Council; motion to adjourn was made by Anderson. Seconded by Brovold. Motion carried.