

CITY COUNCIL PROCEEDINGS

The Bagley City Council met in regular session on January 14, 2014 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 Lindgren and Deputy Clerk Faye Jacobs.

Also present: Mike Jensen, Police Chief Larry Peterson, Bill Masterson, Chris Arnold and Les Lilejahl.

Motion was made by Merschman to approve the minutes of the December 10th and December 17th Council meetings. Seconded by Anderson. Motion carried.

Motion was made by Bonik to approve all items listed on the Consent Agenda. Seconded by Anderson. Motion carried.

- 1) Appointment of Attorney Ed Rasmussen as City Attorney for 2014
- 2) Appointment of Library Board for 2014 – Terri Knutson, LaVida Wiens, Sarah Schwegel, Kathy Steinmetz and Kathy Dahl.
- 3) Appointment of 2014 Zoning Commission – David G. Anderson, Kraig Fontaine, Bill Masterson, Jacki Merschman, and Mayor Sidney Michel
- 4) Appointment of Colleen Lindgren as the City Cemetery Sexton for 2014.
- 5) Approve the 2014 Contract with the County Attorney's Office
- 6) Advertise for gas at the pumps
- 7) Approve Resolution #1-14 Official Newspaper
- 8) Approve Resolution #2-14 Official Depository
- 9) Approve Resolution #3-14 Restricted Fund Transfer

Mayor appointed Councilmen Jon Brovold and Chad Bonik to the Park & Recreation Board for 2014. Members approved.

Mayor appointed David G. Anderson as Vice-Mayor for 2014.

Motion was made by Merschman to appoint Tom Lillegaard to the Public Utilities Commission to fill the vacancy on the board. Seconded by Bonik. Motion carried.

First Progress Payment Request was put in by Roy Abraham Construction for the remodeling in the new library. Request is in the amount of \$19,500. Motion was made by Merschman to approve payment in the amount of \$19,500 to Roy Abraham Construction. Seconded by Anderson. Motion carried.

December 2013 City Receipts were reviewed. City receipts totaled \$764,968.86.

Les Liljedahl, First National Bank, was present to update the Council on the Library Project. Plumbing inspector will be here next Monday. Pictures and paperwork have been given to the Clerk for the State Grant. The contractor is hoping to be done by the end of January or the middle of February. Library move in date is hopefully in March or April.

Liljedahl discussed the Liquor Store Loan which is on a 25 year amortization schedule. The first 10 years is on a fixed 4% rate, and then goes to an annual adjustable prime with a ceiling of 7%. If rates are good the board could maybe fix the rate again after 10 years. City can pay extra on the loan if there are additional funds to do so.

The December 2013 City budget reports were reviewed. City expenses for December 2013 were \$156,616.95. Clerk stated a final report will be done after all December bills have been paid.

The December 2013 Liquor Store profit & loss were reviewed. Gross profit for December is \$29,604.62 and year to date \$286,766.91. Expenses for December are \$22,628.84 leaving a net income for December of \$6,975.78. Net income for the year is \$37,179.16. Clerk stated a final report will be done after all December bills have been paid.

Bonik questioned the expenses that are over budget for the year. There are a number of items over budget such as advertising. Arnold stated this is due to advertising the building for sale along with equipment. Utilities are over due to having utilities for the old and new building. Bonik feels that getting everything back on track will help the profit and be able to transfer the \$30,000 for 2014. He would also like feedback on the costs of the credit cards. He asked if Arnold has a minimum purchase when using a credit card. Arnold stated he has talked about it but has not put anything into place. He is looking at having a \$5.00 minimum. Bonik said that if someone uses a card for \$5 it costs the City money. Budget for using credit cards is \$10,000. This will be looked into further on whether or not the City can charge a fee or if there is another company which would give the Liquor Store a better price. Bonik feels this is a convenience for customers and should be looked into further.

There are a number of items which are needed at the liquor store for 2014 such as chairs for the wine tasting room, shop vac, air movers/fans and floor scrubber. More workers will be needed during the All School Reunion at the liquor store and for serving liquor at the Golf Course.

Motion was made by Brovold to approve payment of the City and Liquor Store outstanding bills. Seconded by Bonik, motion carried.

Department Reports: Police Chief Larry Peterson. December and annual activity logs were handed out. Extra patrol for traffic was done in the last month. Chief has written a letter to MnDOT concerning the speed limit coming into the City. Suggestions were given on the draft letter and Mayor would like to see the letter go to the Legislatures. Cottage Grove is currently doing a background check on Officer Pierre for hiring reasons. If Pierre puts in his resignation, Chief Peterson would like to be able to look at applications which the City received this past year. According to the League of MN Cities, this is permissible. Chief will speak with the current call in Officer first, in case he would consider the position. Councilmen Brovold and Anderson, and Clerk Lindgren will go over the applications with Chief Peterson, if needed.

Mayor Michel stated that he has spoken to Sheriff Erickson concerning the Public Assists that the Police do with the Sheriff's Dept. The County is looking at putting GPS put into their squad cars.

Zoning Commission – Bill Masterson. Family Dollar workers are back on the job. Clerk Lindgren handed out the 2013 Annual Report. Total construction covered by the land use permits for 2013 is \$2,291,202.

Park & Recreation – Next meeting will be held on January 23rd at 6 p.m. in the City Council Chambers.

Fire Dept. – One truck was damaged at a fire. Truck is being repaired.

Liquor Store-Manager Chris Arnold. Arnold reported that wine and liquor tasting will be scheduled ahead for the next year. Arnold is working with another store manager on ideas for marketing. A number of applications have been received for call-in help. Councilmen Merschman & Brovold, Clerk Lindgren and Arnold will go over the applications and bring a recommendation to the Council at their next meeting. Bonik questioned the regional municipal buying. Arnold said he is still working on this and thinks it will come together.

Roads & Bridges – Street Superintendent Bill Masterson. Total cost of the truck purchased is coming out to be about \$17,000. Plow blade was has been finished but is not heavy enough for a loader. There have been frozen pipes at the airport house. Is repairable. There is mud being pumped up in the well so repairs will be needed. Members questioned as to whether or not the house is good enough to put repairs in. More discussion will be held at a later date. Masterson

was contacted about backup radios being installed at the airport. State feels Bagley will be a good location. 2 radios may be put in the AD Building and a tower will be needed. Will hear more in the near future.

Public Utilities-Manager Mike Jensen. Jensen talked about the utility replacement project which may be done in 2015 at the earliest. Videos of sewer lines have been done and look good. Pump went out at the tower but has been repaired. No major damage was done.

City Hall – Clerk Colleen Lindgren. Lindgren asked permission to attend the Minnesota Clerks & Finance Officers Association conference being held in St. Cloud on March 18-21, 2014. Cost for registration is \$245, room \$270 and mileage approximately \$140. Meals are included in the registration fee. Motion was made by Brovold to approve Lindgren to attend the MCFOA conference. Seconded by Merschman, motion carried.

2014 MMBA Boot Camp – No one will be attending.

Sale of City owned lots in the Kastner Division. Councilman Merschman would like to put the map and information covering the sale of the lots in the Farmers Independent. ¼ page cost is approximately \$270. Cost of the lots are \$1.00 plus the special assessments already assessed to each lot. The Council has never set a dollar amount on the City owned lots that don't have any assessments on them. Merschman will be bringing to the Public Utilities Board a request to drop some of the hook-up fees if a home is built within 2 years on a purchased lot. This request has not been approved yet by the P.U. Board. Merschman has posted the map and information at the County Court House, City Hall, and Team Industries. Clerk stated that she has been contacted by two people already and one corner lot has been sold. Advertising was approved at an earlier meeting. Clerk was asked to contact the USDA Office to see if there were any incentives through their programs. Members will discuss prices for the City lots 6-11 at the next work session.

Motion was made by Merschman to approve the acceptance of a grant of \$1,250 from the Northwest Minnesota Foundation Board for the project titled "Bagley Senior Housing Market Analysis." Seconded by Bonik. Motion carried.

December report on the Small Cities Grant program was reviewed. There are still funds available for projects. An ad has been put in the Bagley paper on the program.

A letter from James Pawlak, concerning a free speech on "Council on American Islamic Relations", was acknowledged by the Council.

Merschman has been working on getting the large walk-in cooler removed from the old Liquor Store. He has spoken to Knife River Materials and they would be willing to allow the City to store it in one of their buildings at no cost to the City. Motion was made by Merschman to sign an agreement with Knife River materials for the use of one of their buildings, effective from 1/10/14 to 4/10/14. Seconded by Bonik. Motion carried.

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

The Bagley City Council met on January 22, 2014 at 5:30 p.m. in the City Council Chambers.

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

Also present was Police Chief Larry Peterson.

Motion was made by Merschman to approve the minutes as written, of the January 14, 2014 City Council meeting. Seconded by Brovold. Motion carried.

Police Chief Larry Peterson discussed a letter he will be sending to MN DOT concerning the speed limit coming into the City from the east. DOT is being asked to lower the speed limit further out of town. Peterson discussed the proposed handicap ramp for the Police Dept. The State requires a backup to a lift if one is put in. Clerk was asked to speak with Mike Karvacko, Karvacko Eng., on the regulations of a lift for a public building. What are the perimeters, is a backup needed, and cost for him to investigate such. Council would like to do it the most economical way possible.

Mayor called for a short break in the meeting until the recording system could be started.

Motion was made by Anderson to pay the down payment of \$1,200 to Woods Consulting Group for the Senior Market Study, which they are doing for the City. Seconded by Bonik. Motion carried.

Discussion held on the price of the lots which the City owns in the Kastner Division. Clerk reported that the special assessments on the lots which are being advertised for sale range from \$8,600 up to \$11,800. The City lots on the side do not have any special assessments on them. Mayor feels these lots should be of the same value as the ones with assessments. Public Utilities Commissioners have approved to withhold hookup fees if someone buys one of the lots with special assessments and builds within two years. Brovold stated he feels \$12,000 would be a good price to set and if someone inquires about the other city lots we can visit the other area at that time. Motion was made by Merschman to sell the City lots, #6-11 Block 1 Kastner Division, for a price of \$12,000 each. Seconded by Bonik. Motion carried. Bonik would like to see what the procedure is for the Council to freeze the assessments on the lots and when does it need to be done with the County Auditor's office. Clerk reported that the USDA does have programs to help people of low to moderate income, build homes. Mayor would like to meet with USDA and Tim Flathers of HRDC, on housing issues at a later date. Mayor would like to see chairs purchased for the wine room at the Liquor Store. Options will be brought to the next Council meeting. Mayor would also like to get a floor scrubber for the store. It is too large for employees to mop by hand every night. Purchase will be held off until sale of the old liquor store goes through.

Applications for call in help at the liquor store were reviewed by Councilman Merschman, Store Manager Chris Arnold and Clerk Lindgren. Motion was made by Anderson to hire Shelly Anderson as a call in worker at the Liquor Store, pending background check is satisfactory. Seconded by Bonik. Motion carried.

Clerk updated the Council on the purchase of hanging flower baskets. Tuesday Study Club will be helping out with a donation towards watering of flowers. An ad has been placed in the newspaper asking for donations. Tom Burford has stated that he will donate one week towards the ad fee. A letter has been sent out to area business's asking for help with the purchase of flowers for the flower pots.

Clerk stated that a number of letters were received from Mrs. Jodock's 6th Grade Language Arts class letting the Council know what they would like to see in the city such as a swimming pool, recreation center, bike trails, etc. Clerk was asked to hang the letters in city hall. A letter will be written to the class thanking them and that the Council will take their suggestions under consideration.

Appointment of a Housing Authority Commissioner was discussed. The 5 year term of Tom Beltz will expire on Feb. 20, 2014 and he does not wish to be appointed again. Clerk will contact Tom Derby, Administrator of Parkview Apt to see if his board has any suggestions. Will be brought back to the Council at their next meeting.

Mayor discussed the matter of the Liquor Store Manager working on Saturdays. His hours have been very minimal when he does work and most Saturdays he does not work at all. With Council's approval the Mayor would like to have everyone sit down with the Manager to go over job descriptions of the employees along with his. Brovold has given a job

description to the Manager but has never gotten any feedback from him so he feels the Board should also sit down with Arnold. A date for a meeting will be set up within the month. Mayor feels that the employees need to be educated more on wines and what needs to be done in a liquor store.

Clerk was asked to give the Council the Public Utilities Commission minutes each month. This way the Council will be kept updated on all that is going on. Clerk stated that Allen Potvin is very interested in putting up a building in the City, as what the Council has been talking about. Either a high end rental unit or even an apartment building. When the study comes back, this will be addressed further.

Merschman stated that he has gotten an offer from Hillside Lumber for the three door cooler in the old Liquor Store. They are willing to pay \$400. Motion was made by Bonik to sell the cooler to Hillside Lumber for \$400. Seconded by Brovold. Motion carried.

Merschman also informed the Council that the large walk in cooler has been disassembled and stored at the Knife River Building. He would like to have this put back on Craig's list for \$4,000. Compressor is 3 or 4 years old. Members agreed to do so.

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

The Bagley City Council met in regular session on February 11, 2014 at 5:30 p.m. in the City Council Chambers.

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

Also present: Bill Masterson, Chris Arnold, Police Chief Larry Peterson, Heather Galli, Mike Jensen, Dan Hecht, Clarence LaCroix, Vicki Fletcher, and Todd Hagen.

Motion was made by Brovold to approve the minutes of the January 22, 2014 Council meeting as presented. Seconded by Anderson. Motion carried.

Heather Galli gave an update on the 2014 All School Reunion. Handouts were given to the Council with all the activities of the reunion. The committee is trying to get the street dance moved further down the street or locate it in the parking lot of the old Kubiak Store. An off-site liquor license is still needed for the dance area. Also needed will be a parade permit. They will also be looking at putting bouncy houses in the Park on Sunday, locating them where the vendor plug in sites is located.

Dan Hecht brought to the Council the 2013 Relief Association Report. The Relief Board are recommending to the Council to do a benefit level increase from \$1,200 to \$1,400. There would be no effect to the City at this time. There will be two firemen retiring in the next five years. The relief association is covering this benefit level at the present time. The money from the State for the firemen's relief has been increased from \$16,000 to \$21,000 per year. The City can do what they want with the Relief Association. Benefits at the time for a retiring fireman is \$28,000. Motion was made by Merschman to approve the Relief Association recommendation to increase the benefit level for the firemen. Seconded by Anderson. Passed unanimously.

Todd Hagen, Public Finance Officer, Ehlers & Associates, was present to speak to the Council on a pre-sale report for the \$785,000 General Obligation Public Utility Revenue Refunding Bonds, Series 2014A. This would be to refinance the 2005 Gas Utility bonds. Hagen will come back to the March 11th Council meeting with the bids on the bonds. The bond rates

are about the same. There is 9 years left on this bond issue. This bidding would not exclude the local banks because they may want to bid also. Being this is a gas utility bond; the Public Utilities Commission will need to pass a resolution before March 11th to go along with what the City is doing. This bond will not be callable. There will be a \$53,337 savings over the next 9 years if the City refinances the bond. The City is currently rated A through Standard & Poors. We must go through the process again to keep the rating.

The IRS has a new form for reporting bond issues after they close. There are post issuance compliance policy & procedures which must be done. Cost for this to be done by Ehlers is \$500. Bond Attorney would be Briggs & Morgan. Gil Robinson, from Ehlers, would prepare these by March 11th. This would be figured in the bond issue if the Council approves.

Interest rates have dropped about 2%. There is no down side to the current refunding of the bond. Savings per year is from \$5,000, to \$6,500 to \$7,000 per year depending on the interest at the time. Cost to set up the refunding is approximately \$25,000 along with the \$53,000 savings. Motion was made by Merschman to have Ehlers & Asso. do the refinancing of the 2005 Gas Utility bond. Seconded by Bonik. Motion carried. Motion was made by Anderson to have Ehlers & Associates prepare the post issuance compliance policy & procedures for a cost of \$500. Seconded by Bonik. Motion carried.

Clerk opened the bids received for fuel at the pumps. One bid was received from Bagley Co-operative – Ethenol/unleaded 5 cents per gallon above cost. Diesel fuel No. 2, 5 cents per gallon above cost. Motion was made by Anderson to approve the bid of the Bagley Co-Op for fuel at the pumps. Seconded by Brovold. Motion carried.

Final 2013 report on the Municipal Liquor Store was reviewed. Net income for the year was \$41,934.21, less capital outlay of \$8,521.59 left \$33,412.62 income. Brovold stated that the only thing that was not accounted for was the transfer to the City. Mayor asked if the Council wanted to do a transfer out of the Liquor Store to the City. Merschman stated he thought the funds in the account would need to be used to make the 2014 loan payments. Motion was made by Merschman to not do any money transfer for 2013 in hopes that a larger payment can be made in 2014. Seconded by Anderson. Motion carried.

Final 2013 report on the City Budget was reviewed. Clerk went over the budgets and said that all departments did very well. The City Hall budget and the cemetery budget were the only ones over. City Halls were due to the Kastner Division special assessments and adding on the new library. The cemetery was over due to construction of roads in the back and the funds for this were discussed earlier in the year, to be taken out of the Cemetery memorial account. Clerk had discussed the budgets with the department heads and what they felt needed to be done yet for the year. Bonik stated that the Park Board had gone over all their upcoming expenses and projects that need to be completed. After looking at this they do have \$8,000 that could be transferred to another department such as the snow emergency fund. Masterson had been asked by the Mayor how much time the Street Dept. crews spent working in the City park. He came up with approximately 524 hours for mowing and maintenance. Mayor would like to see a snow emergency fund set up for the street department. Brovold feels the money from the park money needs to be designated and not just sitting there. Mayor said the Council could put the money from the park in an account so long as it can be pulled out if there is an emergency. It may be needed to buy a lawn mower at some point. Merschman asked is a lump sum motion can be made or does it have to be done by department. Anderson said it could unless someone sees something they want to change. Motion was made by Merschman to accept the Clerks recommendation on the designation of funds. Seconded by Anderson. Passed unanimously.

Motion was made by Brovold to approve Resolution #4-14 RESTRICTED FUND TRANSFER. Seconded by Bonik, passed unanimously.

City Receipts for January were reviewed. Total receipts were \$77,112.14.

January 31 budget report for the Golf course liquor account was reviewed. There was one expense in the amount of \$447.50 and zero income.

January 31 budget report for the Liquor Store was reviewed. Total gross profit for the month is \$20,365.06. January expenses were \$17,471.92 with depreciation of \$1,572.08 for total expenses of \$19,044.00. Net income before other financing sources is \$1,321.06.

City Budgets for January 31, 2014 were reviewed. Income for January was \$29,385.96. Expenses totaled \$234,848.02.

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

Motion was made by Brovold to pass Resolution #5-14 ACCEPTANCE OF DONATION. Seconded by Bonik. Passed unanimously. (Resolution is for fireworks donations in the amount of \$450).

Motion was made by Brovold to pass Resolution #6-14 ACCEPTANCE OF DONATION. Seconded by Anderson. Passed unanimously. (Resolution is for flower planter and hanging flower pots donations in the amount of \$980).

Motion was made by Anderson to pass Resolution #7-14 A RESOLUTION APPOINTING THE COMMISSIONER TO THE BAGLEY HOUSING AND REDEVELOPMENT AUTHORITY, appointing Tom Beltz to the board. Seconded by Bonik. Passed unanimously.

Karvako Engineering gave the Council a Supplement No. 01 to task order No. 09, to rebid the access road to the airport. Motion was made by Bonik to rebid the project through Karvako Eng. Seconded by Brovold. For: Bonik, Brovold, Merschman, Michel. Against: Anderson. Motion carried.

Department Reports: Fire Dept. Chief Gerbracht asked permission to send 5 Firemen to the Fire & Rescue School in Detroit Lakes. Tuition is \$100 per person, 3 rooms would be \$586.74, plus meals. Motion was made by Merschman to send 5 Firemen to the Fire & Rescue School in Detroit Lakes on March 8 & 9. Seconded by Anderson. Passed unanimously.

Discussion was held on the reimbursement of meals when employees attend training. Present per diem for meals is \$5, \$7, & \$9. Motion was made by Anderson to raise the per diem for meals when employees are at training to \$10 for breakfast, \$10 for lunch and \$15 for dinner. Seconded by Bonik. Passed unanimously.

Clerk noted that Garrett Bitzer and Amanda Brustad passed the Fire Fighter 1 training and Amanda Brustad passed the Fire Fighter II training.

Police Dept. – Chief Peterson reviewed the January 2014 Officers Activity report. Peterson gave the Council a copy of his letter to DOT concerning the speed limit on the east end of the City. He asked the Council for any input to the letter. A complaint has again been received on vehicles speeding on 6th Street. This is a County Road. Peterson was advised by the Council to write a letter to the County concerning the road.

Park & Recreation – Clerk updated the Council on the activities of the Park & Recreation Board. An application has been received from Joan Gray to again do the cleaning of the bath houses in the City Park during the summer and any other jobs deemed necessary. Park Board recommends to the Council to hire Joan Gray. Motion was made by Anderson to hire Joan Gray to clean in the City Park during the summer of 2014 and to set her rate of pay at \$9.00 per hour. Seconded by Bonik. Passed unanimously.

Liquor Store – Manager Arnold is working on some creative marketing on the Liquor Store Facebook page.

Roads & Bridges – Superintendent Bill Masterson. Crew has rebuilt the blade for the Cat Loader. This blade is much faster than the other loader and saves a lot of time. Snow is being removed from around the corners and stop signs in the City. Masterson had word about a used snow blower but it was sold as he was speaking to the company that had it. Masterson asked if it is possible for him to put in an offer for a snow blower if he sees a good one, or if he has to wait for the Council. Anderson feels that if Masterson finds one he should call the Clerk right away and have an email sent to the Council right away. Mayor would like to see the used equipment sold that was not sold on bids earlier. Masterson will get everything going on this and listed.

Public Utilities – Manager Mike Jensen. There have been a number of water freeze ups in the City. Utilities will be rebidding the water main crossing at the rail road crossing on Clearwater Ave. WSN will be working with the Commission on replacing water & sewer mains. Employees will be attending some training in St. Cloud soon.

City Hall – Clerk Treasurer Colleen Lindgren. The annual pipeline safety emergency response program will held on March 19 at 6 p.m. at the Sanford Center in Bemidji. Employees and board members are invited to attend. Masterson volunteered to attend the event. There will be a public information meeting on the application of ND Pipeline Company for the Sandpiper pipeline project. Meeting is being held in Clearbrook at the Clearbrook City Hall Gymnasium on March 4th at 6 p.m. to 9 p.m. Greater Bemidji's annual investor/partner luncheon will be held on Feb. 14th at 11:45 a.m. at the Beltrami Electric meeting room. Council members are invited to attend. Lindgren also received a letter from Pamela Kvande concerning the sale of the AGAPE Center. Clerk was to inform Kvande the Council is not interested in the purchase at this time.

Motion was made by Merschman to approve the application for exempt permit to hold a raffle by the Firemen's Relief. Seconded by Brovold. Passed unanimously.

Motion was made by Anderson to approve the 3.2% license for LaVine's Turn Around. Seconded by Bonik. Passed unanimously.

Pay request #2 in the amount of \$18,840 was received from Roy Abraham Construction for the remodeling of the new library building. Motion was made by Anderson to pay the request to Roy Abraham Const. for the amount of \$18,840. Seconded by Brovold. Passed unanimously.

The 10th draw request for the Bagley SCDP project was received. Amount requested to be paid is \$12,007.67. Motion was made by Brovold to pay the Small Cities Grant invoice request. Seconded by Bonik. Passed unanimously.

Small Cities Grant Program – 26 applications were solicited, 9 have been received back, 4 projects have been completed and 4 are under construction. There are still funds left to be used for the program.

Members are invited to attend an Open House at the new Sanford Clinic on Monday February 17th at 5 p.m. to 7 p.m.

A lease agreement with the MN Department of Public Safety for the motorcycle exam station has been received for renewal. This is a 5 year agreement and the exam area is located behind the Garden Valley building on the street. Motion to approve the lease was made by Bonik. Seconded by Brovold. Passed unanimously.

A letter was received from the Clearwater County First Responders asking for donations. Clerk was instructed to write them a letter saying we are unable to donate funds but if we have any equipment we are not in need of and they can use, we could give it to them.

Motion was made by Bonik to extend the meeting for 15 minutes. Seconded by Brovold. Passed unanimously.

Mayor called upon Clarence LaCroix. LaCroix asked that the Council close the meeting for discussion on the Bagley Police Dept. building. Mayor Michel informed LaCroix that the Council was recently advised they should not have a closed meeting until the Public is informed of them doing so. LaCroix has been looking into the ADA requirements for the Police Building. ADA has stated that elevators are not a consideration for public buildings anymore. A ramp is required for the building. After discussion, Clerk Lindgren was instructed to contact the Engineering Company of Widseth Smith Nolting to give the Council an idea/quote of what it would cost the City to get a ramp built for the Police Department.

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

The Bagley City Council met on February 26, 2014 at 5:30 p.m. in the City Council Chambers.

Present: Mayor Sidney Michel, Council Members Jon Brovold, Chad Bonik, Dennis Merschman (through Skype), City Clerk Treasurer Colleen Lindgren, and Deputy Clerk Faye Jacobs.

Councilman David G. Anderson was absent.

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

Motion was made by Merschman to approve the minutes from the March 11, 2014 Council meeting. Seconded by Bonik. Passed unanimously.

Discussion was held on the Zoning Fee Schedule. Motion was made by Brovold to set the schedule as follows: Sewage Treatment - \$100; Variance & Conditional Use permits - \$250; Zoning Amendment Change - \$300; Land Use Permits - \$0-\$10,000 - \$50; \$10,001-\$50,000 - \$100; \$50,001-\$100,000 - \$150; \$100,001-\$150,000 - \$225; and \$150,001 up - \$300; Seconded by Bonik. Passed unanimously.

Discussion held on the house located at the City Airport. Clerk explained that the City could get funding to redo the road going up to the airport at an 80%/20% share if the City no longer rents out the house. If the Council decides not to rent out the house anymore, Karvakko Engineering could add this part of the road onto the bids with the access road. Mayor stated that the house is in need of updates and repairs. Masterson said that the well is pumping mud and may need to be pulled. Mayor asked if the Council would want to consider putting the house up for bids to tear down or move. Clerk stated that Karvakko would like to know tonight what the Council decides so that he can get the bids going on the road. There is approximately \$34,000 in designated funds for construction at the airport. Motion was made by Brovold to go ahead with the bids for the access road and the other road going up to the airport. Seconded by Merschman. Passed unanimously.

Motion was made by Bonik to put the airport house up for bids in the paper and on Kraigs list. Seconded by Merschman. Passed unanimously. Motion was made by Brovold to put a minimum bid of \$1,000 plus the high bidder must pay to have it moved. Deadline to have it removed will be determined with the Council. Council has the right to refuse any or all bids. Seconded by Bonik. Passed unanimously.

Police Chief Larry Peterson reported on the Tact 10 upgrades which are being done to the computer system at the Court House. Web mapping will now be able to be used. The basic system is free and should be ready by April 1st. Chief would like to put this mapping on the City web site so people can see it. It is an optional plan. Mayor asked Chief Peterson to get more information and bring it to the City Council.

Police Officer Ryan Pierre has put in his resignation as of March 14th, 2014. Chief asked if the Council wants to keep going with the COPS Position. Motion was made by Bonik to accept the Resignation of Officer Ryan Pierre. Seconded by Brovold. Passed unanimously. Chief stated that he has called a number of past applicants and they are still interested along with a few others who have heard there may be an opening. The League of MN Cities has stated that you could still use the received applicants being it has been under a year. Peterson was told to move forward with the hiring process.

Chief Peterson compiled a Policy for assisting another law enforcement agency. This was given to the Council for their review.

Administrative tickets – State has changed their policy of this again. Chief will look into it further.

Chief sent a letter to County Engineer Dan Sauve and County Commissioner Duane Hayes concerning the speed complaints heard about on 6th Street.

Clerk showed Council the chairs which have been picked out for the Wine Tasting Room at the Liquor Store. North Country Business Products put in a price of \$50 per chair and the Manager has asked to purchase 20. Motion was made by Merschman to spend \$1,000 plus tax for chairs for the Liquor Store. Seconded by Brovold. Passed unanimously.

Copies of the Housing Market Evaluation for Senior Households for the Bagley market area have been received. Mayor stated that the recommendation is the City of Bagley needs approximately 30 units for both high end senior and housing assistance. Members were asked to look over the study and it will be discussed more at the Council's March 11th meeting.

Bond Rating call time is needed. Todd Hagen, Ehlers, recommends that the Mayor, Clerk, and he be in on the call. Clerk stated that questions will be received beforehand. Meeting will be set for Monday, March 3rd at 10 a.m.

Small Cities Grant Program invoices – Motion was made by Brovold to pay SCGP invoices in the amount of \$10,360. Seconded by Bonik. Passed unanimously.

Sanford Bagley Ambulance put in a request for a letter of support from the City Council, for the request to get another ambulance for the area. Motion was made by Brovold to approve writing a letter of Support for the Sanford Bagley Ambulance. Seconded by Bonik. Passed unanimously.

Mayor, Clerk and Fire Chief met with the architect from Widseth Smith Nolting at the Fire Hall. She will be checking into the area of the building needing a ramp, lift or elevator to make it handi-cap accessible. Clerk met with her at the present Library building. Architect felt that the present ramp should be ok for the building. Mayor would like to have the Council think about whether or not to move one of the departments to the old library building.

Clerk stated that she had the draft of the preliminary sale of the bonds in her office.

Street Superintendent Masterson brought before the Council the information to spray the weeds at the City Park Beach. If approved and paid for by the end of March, a 3% discount will be given. Motion was made by Merschman to approve the weed permit application. Seconded by Brovold. Passed unanimously.

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

Present: Mayor Sid Michel, Council Members Jon Brovold, Chad Bonik, David G. Anderson, Dennis Merschman (via Skype), City Clerk Treasurer Colleen Lindgren, and Deputy Clerk Faye Jacobs.

Also present: Mike Jensen, Police Chief Larry Peterson, Chris Arnold, Fire Chief John Gerbracht, Todd Hagen Andy Simmons, Ciera Jobgen, Bill Masterson, Duane Lewis and Doug Lindgren.

Motion was made by Brovold to approve the minutes of the February 26th Council meeting. Seconded by Bonik. Passed unanimously.

Mayor called upon Todd Hagen, Ehlers & Associates. Hagen reported that the bidding for the refunding bond came in great. 3 bids were received: United Bankers bond 1.8666%; Cronin & Company 2.0526% and Northland Security 2.2155%. Bond has 9 years left on it. Closure will be on April 3rd. Projected savings were \$53,337 and the savings result is \$66,923. Public Utilities will be meeting on March 17th on a resolution which is needed for this bonding.

Hagen reported that Standard & Poors gave the City an A Rating for the second time. Their report is in the summary given to the Council. New criteria were looked at this year when doing the rating. They do not plan to revise the rating in the next two years.

Motion was made by Anderson to pass resolution #9-14 RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$785,000 GENERAL OBLIGATION PUBLIC UTILITY REVENUE REFUNDING BONDS, SERIES 2014A AND PLEDGING NET REVENUES FOR THE SECURITY AND PAYMENT THERE OF. Seconded by Bonik, passed unanimously.

Duane Lewis, who owns Amber Court, has interest in building rental homes. The taxes are high and he is asking if it is possible to get the taxes cut or lowered. He would like to build one duplex per year for the next five years. He discussed tax abatement or business subsidy. Clerk was asked to check with David Drown, Drown Associates, to look into the Tax Increment District, which she feels the area is already covered by. If it is in a TIF District, Clerk will set up a meeting between Lewis and Drown.

Lewis also brought before the Council the fact that an old house located near his home has a large amount of cats in it and it is an eyesore. He is wondering if the Council can do anything about having the building torn down. Clerk will check with the owners to see if the Pound Master could go on the property to trap the cats. Mayor will contact the owner to see if he has any plans on demo for the building.

Land Use Plan-Zoning Ordinance. Mayor explained the Zoning Board has been working with HRDC on updating and revising the land use plan. All information was emailed to Council Members. There were changes in the area of setbacks, adult entertainment, signing post updates, fences and the zoning map was updated. Motion was made by Merschman to accept the Land Use Plan as recommended by the Zoning Commission. Seconded by Bonik, passed unanimously.

Senior Housing Report – the consultant who did the study believes there is a need for more senior rental units in the area. Some higher end and some subsidized. Council members agreed to move forward and give the Study out to those that are interested.

Safety Loss & Control Workshops will be held on March 25th in Bemidji at the Sanford Center. Motion was made by Brovold to send up to three people to the Workshop. Seconded by Bonik, passed unanimously.

Motion was made by Anderson to approve the Parade permit application put in by the Bagley All School Reunion Committee, for July 6, 2014. Seconded by Merschman, passed unanimously.

City receipts for February 2014 were reviewed. Total receipts for February were \$84,428.97.

City Budgets for February 2014 were reviewed. Total expenses for February were \$99,433.83.

Liquor Store Budget for February 2014 was reviewed. Net income for the month was (\$2,298.96).

Motion was made by Bonik to pay the City outstanding bills including one from LeAnn's Shirts, and the Liquor Store outstanding bills. Seconded by Brovold, passed unanimously. The City outstanding bills totaled \$40,428.83 and the Liquor Store outstanding bills totaled \$21,871.44.

Department Reports: Police Chief Larry Peterson. Peterson went over the activity sheet for the Officers. Assisting other departments is down by half. Eight applicants were reviewed for the Police Officer job. Interviews will be done by Mayor Michel, Councilman Anderson, Clerk Lindgren and one other person. Date to interview is March 24th at 4 p.m. and each will be ½ hour long. Chief has not received any comment back from County Engineer Suave or County Commission Duane Hayes on the letter which he wrote them on the 6th Street concerns.

Liquor Store: Manager Chris Arnold. February gross sales are up. Canadian trade is starting back up. He had a Wine Tasting with 15 people attending. New employee has begun working in a part-time position. He has only had one person come in to apply for working at the Golf Course this summer. Advertising is to be done on the City Web site and in the paper.

Fire Dept.: Chief John Gerbracht. The Fire Dept.'s main pumper is 18 years old and may need to be replaced in the near future. Gerbracht would like to start budgeting for one. He will be switching some of the trucks around in the department to make sure everything is covered. Vehicles in the department are too new in order to get a Federal grant for a new truck. Brovold asked that Gerbracht check on trade in value for the vehicle and bring this information back to the Council on April 8th. Clerk was asked to check into the insurance to see what needs to be kept in the City if there is a fire outside the City limits and how many are needed in town. Firemen are working on the Firemen's' Ball coming up May 3rd to be held at the American Legion. Funds from the Ball will be used to purchase a Polaris Ranger to put a wild land skid in the back of it, to be purchased in the future. The 2013 Annual Report of Activities of the Bagley Fire Department was reviewed. Motion to accept the report with 2014 Officers as follows: Chief-John Gerbracht, First Assistant Chief-Chad Bonik, Second Assistant Chief-Zach Waggoner, Secretary-Amanda Brustad, and Training Officer shared by the Chiefs. Seconded by Anderson. Motion carried.

Doug Lindgren reported on the activities of the Park & Recreation Board. Upon recommendation by the Park Board, Lindgren asked to appoint Adam Broten to the Board, replacing Tylor Sorenson. Motion was made by Bonik to approve the appointment of Broten. Seconded by Brovold. Passed unanimously. The Board has purchased the Golf Cart for the Park Attendant. Agrilime is being ordered for the ball fields. Companies are coming in to look at the Tennis Court for repairs. New chain link nets will be replaced on the basketball hoops and back boards will be inspected.

Roads & Bridges: Street Superintendent Bill Masterson. Some storm sewers were steamed out. The County blade has been rented to clear off some of the streets.

Public Utilities: Manager Mike Jensen. There are frozen lines all over town. Utilities have 50-60 service lines running to keep them open. They have thawed 10 sewers and 2 sewer mains. 3 or 4 water services are still being worked on. The Elementary School is revamping the air exchange.

City Hall: Clerk Colleen Lindgren. The third progress payment request has been received from Roy Abraham Construction for the remodeling of the new library. Request is in the amount of \$16,277.69. Motion was made by Anderson to pay the payment request of Roy Abraham. Seconded by Bonik. Passed unanimously.

Motion was made by Anderson to approve the OUT-OF-STATE TRAVEL POLICY FOR ELECTED OFFICIALS AND CITY EMPLOYEES. Seconded by Brovold. Passed unanimously.

Motion was made by Anderson to pass Resolution #8-14 ACCEPTANCE OF DONATIONS. Seconded by Bonik. Passed unanimously.

Council received a letter from the Clearwater Trail Blazers Snowmobile Club, inviting them to an appreciation dinner on Sunday, March 23rd.

February monthly report of the Small Cities Grant Program was reviewed.

Mayor Michel read the following statement; "It is my intent to hold a closed meeting of the Bagley City Council on March 27, 2014 at 5:30 p.m. at the Bagley City Council Chambers to evaluate the performance of the Liquor Store Manager pursuant to Minnesota Statutes, section 13D.05, subd.3 (1)."

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 on March 26, 2014 at 5:30 p.m. in the City Council Chambers

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

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

Chief Peterson updated the Council on the issue of a Stop Sign at 6th & LaBudde. He has met with County Engineer Dan Sauve. A packet of material was given to Peterson and County Commissioner Duane Hayes from Sauve. Sauve does not want to put up a stop sign in the area. He feels the area needs to be patrolled and that Stop Sign's do not slow traffic down. Chief Peterson disagreed. Peterson showed the Council a study on how radar works. Sauve suggested that the City take the Street back and it not be a County Air road. Councilman Bonik said the Council should request that a County Deputy patrol the sign area if they don't want to put up a sign. Members asked that the Mayor write a letter to all the County Commissioners to remind them that City residents do pay County taxes also and request a stop sign. Letter will also ask permission to pay and install two stop signs, by the City.

Chief Peterson stated that applications for Police Officer have been tabulated and a background check will now be done on one.

A report has been received from Wideth Smith Nolting concerning the handicap accessibility for the Police Dept./Fire Hall and the Public Library. Councilmembers discussed the fact of moving the Police Dept. to another location, either the old library building or put the City Hall in the old library building and the Police Dept. in the present City Hall location. Fire Chief Gerbracht said it would be a benefit for the Fire Dept. to be in the top of the present building where the Police are located. Restoration of the old library was discussed. Clerk was asked to check into Legacy funds for the library building. Council would like to get something figured out within the next six weeks.

Motion was made by Anderson to pass Resolution #10-14 COUNTY OF CLEARWATER ROAD AND BRIDGE MAINTENANCE AGREEMENT. Seconded by Bonik. Passed unanimously.

Discussion was held on the airport house and what to do with it. Mayor stated that the Council could still sell it would it could be torn down. Masterson said that it would cost approximately \$250 to \$350 for landfill fees and then you would need someone to tear it down which would be approximately another \$2,000. All appliances, baseboards, thermostats, furnace and such would need to come out of it before it goes to the landfill. House will be advertised for someone to remove the building as is or in pieces. For allotted time to do so they must check with City Hall.

The sewer at the new library location is no longer frozen. Library Board plans on opening the new library the first week of June.

The sale of the old Liquor Store is final. Clerk stated that according to the City Auditors the funds are to go into the Liquor Store coffers. The down payment and the funds from a cooler were put into the city checking account and should now go into the liquor store account also. Motion was made by Anderson to transfer from the City to the Liquor Store savings account \$2,250 plus the \$44,016.55 for the sale of the store, into the Liquor Store savings account. Seconded by Bonik. Passed unanimously.

Merschman stated that he has spoken to a salesman on a floor scrubber for the new liquor store. Should be hearing from him within the week.

Masterson asked if the Council still wants to do the one year walk through of the liquor store with builder Matt Gordon from Gordon's Construction. Council asked Masterson to set up the meeting.

Clerk informed the Council that Allen Potvin has contacted her regarding up grading of the Cornerstone Nursing Home and using TIF. David Drown has been contacted on this project and he and Potvin will be speaking on it soon.

Chairs for the Liquor Store came in at a higher price than originally quoted. The cost is \$321 more. Motion was made by Merschman to approve the increase for the chairs. Seconded by Anderson. Passed unanimously.

Clerk updated the Council on the Airport Access Road progress. Plans are going out for bids on April 1st.

Clerk gave a report on the MCFOA Conference which she just attended noting a number of items that need to be updated. Clerk also attended the Safety and Loss Control Workshop in Bemidji.

Senior Housing Study was discussed. Bonik has contacted Headwaters Builders via text telling them about the study. Clerk was asked to send an official letter to them telling them about the study and about the sites which the City has for sale.

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

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

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

Also present was Liquor Store Manager Chris Arnold.

Mayor Michel read the following statement: "This special meeting of the Bagley City Council is called to order. The agenda item for this meeting is the evaluation of the performance of Chris Arnold, Liquor Store Manager, pursuant to MN Statutes, section 13D.05, subdivision 3(1). This special meeting will be closed because the city council will be evaluating the performance of an individual subject to the City's authority. Mr. Arnold has received notice of this meeting. MN Statutes, section 13D.05, subdivision 3(a) provide that; any portion of a meeting may be closed for this reason, unless the individual who is the subject of the meeting requests that it be open. In this case Mr. Arnold did not make such a request that the meeting be open. Only the officials and consultants of the City who reasonably require access to this data may be in attendance at any portion of the closed meeting for this agenda item. I will not entertain a motion to close this portion of the meeting.

Motion was made by Merschman to close the meeting. Seconded by Anderson. Passed unanimously.

Meeting was reopened at 6:30 p.m.

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

The Bagley City Council met in special session on April 8th, 2014 at 10 a.m. in the City Council Chambers.

Present: Mayor Sid Michel, Council Members Dennis Merschman and Jon Brovold, City Clerk Treasurer Colleen Lindgren. Absent were Council Members Chad Bonik and David G. Anderson.

Also present were Allen Potvin and Traci Ryan from David Drown Associates.

Allen Potvin is working on improving the Cornerstone Nursing & Rahab Center, which he owns in the City of Bagley. His plans are to add on a full wing with nine beds which is Phase 1. They will be heavily involved in therapy and will have short term admissions. Phase 2 is to gut the east wing and put in a dementia unit. Phase 3 will be to redo the west wing which will be the long term skilled care wing. Timing is Phase 1 move in Feb 2015. He will apply for exception to the moratorium by April 2015. Phase 2 is to be started in May 2016 and end December 31, 2016. Phase 3 will be started January 1, 2017. This will be a 4 ½ million dollar project.

Cornerstone is presently in a Housing Dist. which is in place. The City could look at a new Redevelopment District. A building inspection would need to be done to put it in this district to see whether or not it is substandard.

Cost is approximately \$7,500 for the new district plus \$3,000 for the developer's agreement. These expenses are usually handed down to the developer and the developer would get reimbursed over the time of the increment. Usually a 10 to 15 year increment is set up and may put on more years if the project is large and there is a lot to do.

Mayor asked if the City could start with the present district and then create a new district. Ryan said it would make it difficult. You cannot start in Housing and then go to Redevelopment. You could consider assistance on each phase and then modify your development agreement as each phase is started. Decision should be made up front on whether you will start with housing or do a Redevelopment District. You could add more areas into the District if there are other projects that want to take advantage of the TIF.

Ryan said she will need to crunch numbers with Mr. Potvin to see if the TIF District is really something he wants to go through. Mr. Potvin was advised that he does not want to start any work on the project that takes a building permit. If he does, he would not qualify for TIF.

Mayor asked Mr. Potvin if he would be willing to pay up front the \$11,000 to set up the district.

Mr. Potvin stated that he would. Ryan said that amount could be reduced if others want in on the district. Potvin said he has no problem spending \$11,000 on a 4 ½ million dollar project. He would like to get going on the project.

Mayor questioned if Ryan works on Brownfield grants, which Ryan said she does write these also. City can help with whatever to get eyesores torn down. These grants also help with the removal of asbestos. These can be coordinated with TIF Districts.

Ryan said that the City will need to pass a Resolution calling for a Public Hearing, to possibly be held at the June City Council meeting. This would give time to notify the County and the School Dist.

Potvin plans to have a ground breaking in the last week of July 2014.

Agreement was to go with a Redevelopment District. At the Public Hearing it will be shown all properties that could be in the District.

Mayor asked about doing some Senior Housing in the Kastner Addition. Kastner Addition is already in a Housing District. Council would like to promote the area for a Senior Housing project.

Ryan explained that in a Redevelopment District, 70% of the area is improved and 50% of primary structures are substandard. Towns that invest in themselves do well because people see this and more people want to be a part of it. Potvin asked if TIF covers site work. Ryan said it does. Grants that cover site work for private projects is very slim to nothing. Potvin stated that his project would be iffy if he cannot get long term TIF. Ryan said the project could go out 26 years. The averages are 10 to 15 years and then you should look at the merits of the project. Ryan stated that she will come to Bagley at some point to look at the areas to work on the project.

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

The Bagley City Council met in regular session on April 8, 2014 at 5:30 p.m. in the City Council Chambers.

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

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

Motion was made by Merschman to approve the minutes of the March 11, March 26 and March 27th Council Meetings. Seconded by Brovold, passed unanimously.

Malotte Backer, member of the Bagley Art in the Park committee, was present to seek permission to hold the event in the City Park on July 12, 2014 from 9 a.m. to 3 p.m. Backer asked for the Cities assistance by providing two picnic shelters, road barriers and permission to hang banners on city property. Backer also thanked the Council and the Street Dept. members for helping her with the barricades the past year, the use of the shelters and for allowing them to have the event. Motion was made by Anderson to allow the Art in the Park Committee to hold the event and help where needed. Seconded by Brovold, passed unanimously.

Clerk reviewed the March City receipts with the Council. Total received in March - \$59,115.60.

City Budget reports for March were reviewed. Total expenses for March were \$108,752.10.

Liquor Store budget reports for March was reviewed. Total gross profit is \$20,830.24. Expenses for March are \$20,375.15 plus depreciation of \$1,572.08 for a total of \$21,947.23. Net income for March is (\$1,116.99).

Motion was made by Anderson to approve payment of the outstanding bills for the City of Bagley and the Municipal Liquor Store. Seconded by Bonik, passed unanimously.

Department Reports: Police Chief Larry Peterson. Peterson handed out a letter which is being put together to send to County Commissioners concerning the 6th Street issue of a stop sign. Comments were invited from the Board. The monthly activity report for March was reviewed. Chief Peterson asked permission to order some equipment which would be covered under the sale of the truck sold by the Police Dept. Funds from the truck sale were to be used for

equipment needed for the department. Motion was made by Anderson to purchase a Breathalyzer and 4 body cameras for the officers with funds to come out of the vehicle sales. Seconded by Bonik. Passed unanimously.

Liquor Store: Manager Chris Arnold. A price for a floor scrubber has been gotten in the amount of \$4,229.62. Company will check on the machine every two weeks for maintenance. This company has an as needed repair of \$12.50 per hour and will pick up and fix if needed. 3 year warranty with an 8 year warranty on the tank. Motion was made by Merschman to approve the purchase from Stein's Inc. for a floor scrubber for the liquor store, funds to come out of the Liquor Store savings account. Seconded by Bonik. Passed unanimously. Mayor said that supplies will also be needed. Arnold also talked about the use of cameras in the store. Motion was made by Bonik to get a monitoring TV set up in the store, spending up to \$600 out of the savings account. Seconded by Anderson. Passed unanimously. Arnold was told to hold off on the open sign for the liquor store sign. Prices are to be brought back to the Council for getting a logo on the front door and LED strips or rope lights for around the outside of the building.

Zoning: Bill Masterson. Masterson will work with the Dollar Store contractor to get the area cleaned up and to get the silt fence back up.

Fire Dept.: Chad Bonik. Bonik asked permission to send five firemen to the Northern Region Fire meeting, being held in Winger, at a cost of \$20 per fireman. Motion was made by Anderson to approve. Seconded by Merschman. Passed unanimously.

Park & Recreation: Next meeting will be held in the City Park for members to do a walk-through of the park.

Roads & Bridges: Bill Masterson, Superintendent. Discussion was held on City Wide Clean Up and Tree & Branch clean up. Masterson would like to see the Tree & Branch clean up held for only one week in May instead of the whole month. Motion was made by Anderson to hold the City Wide Clean Up on May 15 & 16th and the Tree & Branch clean up the week of May 19-23. Seconded by Brovold. Passed unanimously. Masterson did check on the price of a new lawn mower. Acme has a 60 in. cut mower for \$9,000, 3 yr. warranty, and 2013 model. Council asked that more prices be gotten and brought back to the Council.

Airport has a 4 inch well and a propane tank which will need to be removed if the Council decides to burn it. All inside furnishings and appliances must be removed. Clerk stated that there is a permit which needs to be gotten first from the DNR. County Employee Dan Hecht will inspect the building before and after it is burned. Masterson was asked to take out anything that is good enough to sell and whatever else needs to be removed. Clerk was asked to check on any permits that are needed. Bonik stated that the Firemen might be able to help get stuff out of the building also. Clerk stated there may also be some Soil & Water grant funds to get the well-sealed.

Masterson asked permission to hire back Al Spring for the summer. Motion was made by Merschman to hire Al Spring as soon as Masterson sees fit. Seconded by Brovold. Passed unanimously.

Enbridge has done some test borings at the airport. They need to purchase easements from the City. Masterson will find out more on this.

Jeff Francis has spoken to Masterson about land around the airport. He would like to fence some of the city property that he rents. He is wondering if the city would buy the material if he puts up the fence line and maintains it. Cost would be approximately \$2,000. Masterson to keep the City informed on what is happening.

City Hall – Colleen Lindgren, Clerk. The Library Foundation will be painting in the new library this coming Saturday and are asking for volunteers to help. A letter was sent out earlier this year concerning donations towards City flowers. Enough donations have been received to cover the cost of the flowers for the flower planters and a letter was sent out to businesses to get quotes on the flowers for the planters. One quote was received from Stems. Shawn Sorenson

quoted putting 1 spike, 4 wave petunias, 6 marigolds and 4 ivy in each planter for \$26.25 per planter for a total cost of \$498.75 (19 planters). Motion was made by Brovold to accept the quote of Stems. Seconded by Anderson. Passed unanimously.

Donations have also been received for the hanging baskets which cost \$100 each. Motion was made by Anderson to approve purchase of 26 hanging baskets. Seconded by Bonik. Passed unanimously.

A letter has been received from the Office of Aeronautics on the prioritized projects for SFY 2015 grant funds. Karvacko Eng. recommends that the Council do the crack sealing on the air stripe as a maintenance upgrade to do every other year. Brovold made the motion to approve having Karvacko Eng. put the crack sealing project out on bids. Seconded by Anderson. Passed unanimously.

Administrative Professional Day Forum/April 23rd/Fireside Grill & Patio/\$50 per person. Motion was made by Merschman to send up to three people from the front office of City Hall, to the forum. Seconded by Brovold. Passed unanimously.

League of MN Cities 2014 Annual Conference will be held in St. Cloud on June 18-20th. Motion was made by Anderson to send Councilman Merschman to the conference, and cover expenses. Seconded by Brovold. Passed unanimously.

All Fire Contracts have been received except Rice Township. Motion was made by Merschman to approve the April 1, 2014 to March 31, 2015 Fire Contracts excluding Rice Township until the contract is received. Seconded by Anderson. Passed unanimously.

Motion was made by Anderson to approve Resolution #11-14 ACCEPTANCE OF DONATIONS.

Seconded by Brovold. Passed unanimously.

Motion was made by Anderson to approve Resolution #12-14 RESOLUTION CALLING FOR A PUBLIC HEARING ON THE CREATION OF MUNICIPAL DEVELOPMENT DISTRICT AND THE ADOPTION OF THE DEVELOPMENT PROGRAM RELATING THERETO, AND A TAX INCREMENT FINANCING DISTRICT AND THE ADOPTION OF TAX INCREMENT FINANCE PLAN RELATING THERETO. Seconded by Merschman. Passed unanimously.

Motion was made by Anderson to approve Resolution #13-14 ADOPTING POST-ISSUANCE DEBT COMPLIANCE POLICY FOR TAX-EXEMPT AND TAX-ADVANTAGED GOVERNMENTAL BONDS. Seconded by Merschman. Passed unanimously.

Clerk explained the invoice from the Minnesota Council of Airports. This group works with the State of Minnesota for small cities on their airports and they do have some funds that may help small airports. The city was a member years ago but was dropped at some time. Member cost is \$150 per year. Motion was made by Bonik to join for one year. Seconded by Brovold. For: Bonik, Brovold, Merschman, Michel. Against: Anderson. Motion carried.

Mayor Michel gave a statement on the conclusions of the evaluation of the performance of Chris Arnold, Liquor Store Manager, pursuant to Minn. Stat. Mr. Arnold has achieved a satisfactory rating for his work. The council did identify where Mr. Arnold needs to improve such as required paperwork and more direct programming/training for employees. The City Council appreciates Mr. Arnold's service to the City of Bagley.

Council reviewed the March monthly Small Cities Grant Project report. Clerk reported that a few more applications have come in.

Clerk reported that on April 29th at 10 a.m., Mike Karvacko will be here to open bids for the Airport access road.

Mayor would like Council members to get serious on what to do with the Police Station. Will it be moved or build a ramp. Members will look at the old library at the next work session. Brovold asked what the building would be used for if the Police Dept. does not move there. If the City Clerk's office were to move a vault would have to be built. Brownfield Grants may be something to look into, in order to get rid of some of the old buildings in the city. Mayor and Merschman will check into the bathroom facility at the old Library to see if it is handicap accessible. Chief Peterson was asked to get some quotes on a ramp for the Police Dept. for the next meeting.

Councilman Bonik reported that the Firemen's Ball will be held on May 3rd at the Bagley American Legion.

Mayor reported that Tim Flathers, HRDC, has had some interest on a Senior Housing Project.

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

The Bagley City Council met on April 23, 2014 at 5:30 p.m. in the City Council Chambers.

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

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

Discussion was held on the present wages of the City Council and Mayor. Mayor presently gets paid \$2,000 per year plus \$50 per special meeting. Council Members presently get paid \$1,000 per year plus \$50 per special meeting. If wages were to be increased this must be done before elections take place this fall and would not go into effect until January 2015. Matter will be brought up at a later date.

Discussion was held on the depreciation funds which are added onto the monthly Liquor Store reports. Mayor asked if the Council would want to put these funds into the savings account to build up funds for future emergency. Council decided to wait until it is known what kind of profit we have at the end of the year.

Liquor Store Manager Chris Arnold asked permission to attend the MMBA Annual Conference, May 17-20 at the Arrowwood Resort in Alexandria. Cost is \$514 for room & board plus mileage. Motion was made by Anderson to allow Arnold to attend the conference and pay expenses. Seconded by Brovold. For: Anderson, Brovold, Bonik, Michel. Opposed: Merschman. Motion carried.

The water softener at the Liquor Store is not keeping up with usage. A quote was received from Steve Blomberg @ Ferguson Wholesale in the amount of \$3,260.93 for a new softener and then there would also be costs for the hookup. Merschman received a quote from Alden Hough Plumbing & Heating to furnish and install a pressure tank which he feels will fix the problem. Hough's cost is \$1,000. Motion was made by Merschman to accept the quote from Alden Hough in the amount of \$1,000 to do the repairs and maintenance at the Liquor Store. Seconded by Brovold. Motion carried.

Police Chief Peterson updated the Council on the status of the new employee. Peterson questioned the Council on their plans for the continuation of the fourth City Officer. Council informed Chief Peterson to keep the schedule for four officers and when it comes to budget time the position will be looked into again.

Job Descriptions: Councilman Brovold will work with the Liquor Store Manager on the job descriptions for the liquor store employees. Department Heads are to work on their descriptions and get them to the Council. Clerk informed the Council that the next Pay Equity report is due by January 1, 2015.

The Public Utilities will be purchasing new computers for the staff in their office and the City Clerk needs her computer updated also. This will take place within the next month or so.

Discussion was held on the use of the Community Room at the new library location. A new policy is needed for the rent of the room. Motion was made by Bonik to charge \$125 for the use of the room and kitchen with \$50 to be refunded if no cleanup is needed after usage. Seconded by Merschman. Motion carried.

Clerk reported that Essentia Clinic will be holding a Grand Opening on May 6th. They questioned if they would be able to put up a tent in the alley between them and the Chiropractic office. Masterson reported that there are lots of wires running in the alley and he did not think that was a good idea. Members feel that it would be better to put the tent in the parking lot. Councilman Bonik will be seeing one of the Essentia Health dept. head soon and will speak with him about the Council's concerns.

Council reviewed a map sent by Traci Ryan, David Drown Associate, on the proposed TIF District. Members agreed to put the area of Marty Brothers Feed into the district. They would like better clarification of the map. Clerk will work with Ryan on this and email to Council.

Clerk stated that a correction is needed for the March Council minutes. It was stated that the Council accepted the land use plan but the Zoning Ordinance update was not mentioned. Motion was made by Anderson to accept the zoning ordinance changes as recommended by the Zoning Commission. Seconded by Bonik. Passed unanimously.

Motion was made by Anderson to approve the 12th draw request for the Small Cities Grant Project in the amount of \$7,536.07. Seconded by Bonik. Passed unanimously.

The Teamsters General Local Union No. 346 working agreement for the Police Officers is open for negotiations. Mayor Michel, Councilman Brovold and Clerk Lindgren will work on the contract. Clerk was instructed to write a letter to the Teamsters on who will negotiate.

Clerk reported that so far in the Fireworks fund there is \$2,155. In the 2014 budget the council also set aside \$2,000 for fireworks. Clerk was asked to check with the School Reunion Committee to see if they have any plans for fireworks funds and report back to the Council at the next meeting of the board.

Motion was made by Bonik to get the well at the Airport house sealed and to have the Clerk work with the SWCD on a grant program to do so. Seconded by Brovold. Motion carried.

Clerk reported that to burn the airport house there is a form which must be filled out by the Fire Chief and the house must be checked for asbestos. Cost to test for asbestos is \$300 plus \$10 for each sample. Members will ask Fire Chief Gerbracht to look over the form and discuss it with the Firemen. If the Fire Dept. decides to burn, then the Clerk is to contact the man who does the asbestos testing and get that set up.

Masterson reported that his department has removed the appliances from the airport house. These will be advertised for sale.

Mayor Michel told the Council that the bathroom in the old library is not handicap accessible which would be needed if one of the departments were to move in there. Discussion was held on whether to remodel the building or sell it. Motion was made by Anderson to put the building up for sale and to get prices to build a ramp at the police/fire hall. Seconded by Merschman. Passed unanimously. Clerk was instructed to check on the value of the old library building and bring back to the Council.

Street Supt. Masterson asked for a raise in pay for summer worker Allen Spring, to match what he is being paid by the County. Past years wage was \$10.80. Motion was made by Bonik to give Al Spring a wage increase to \$11.80 per hour. 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 Merschman. Passed unanimously.

The Bagley City Council met on May 28, 2014 at 5:30 p.m. in the City Council Chambers.

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

Councilman Chad Bonik was absent.

Also present: Mike Karvakko, Sam Anderson, Police Chief Larry Peterson, Street Superintendent Bill Masterson, Park Attendants Elaine & Mike Brustad, Kelly Cease, Bridget Nelson and Heather Galli.

Mike Karvakko and Sam Anderson from Karvakko Eng. were present to discuss the bids recently taken for construction at the City Airport. Karvakko stated that the state funding for airports has been increased by legislature. Funding for airport projects will now be set at 90%/10% shares. Equipment will be 80/20 and hanger bays 60/40. This means the local share for the present project will be cut in half. Karvakko is recommending that the Council go with the bid on Northern Contracting of Bemidji, Inc. for the construction of the Access road & Parking Lot Project. Their bid for the total project is \$140,443. City share for the whole project will be \$17,235 which includes engineering cost, testing, permits & fees. Motion was made by Brovold to approve the contract with Northern Contracting and to move forward with the airport project as presented. Seconded by Merschman, passed unanimously.

Motion was made by Merschman to approve Task Order Number 13 between the City of Bagley and Karvakko Engineering for professional services for the following purpose, consistent with the project defined in the agreement: Bagley Airport 2014 Access Road & Parking Lot Project Construction Administration Services. Seconded by Anderson, passed unanimously.

Quotes for crack sealing are being solicited at this time. Karvakko will bring bids to the June Council meeting.

Hanger Bays will be talked about at a later date. Karvakko will check on rental rates and get them to the Council.

Mayor Michel asked Bridget Nelson if she had contacted any of her neighbors on the paving of the road in their area. Nelson said she was waiting to see what the City had found out on how it could be worked out. Clerk read a statement she had received from Attorney Chris Hood. "We would want an agreement with the landowners stating that they have requested the improvement and that they are willing to pay a certain amount on such terms as are specified in the contract. We would want the contract to state that if they do not pay they agree that it will be assessed to their taxes and that they waive any and all rights to challenge or appeal." Matter will be tabled until the regular Council meeting on June 10th.

Heather Galli, Bridget Nelson and Kelly Cease were present to update the Council on the All School Reunion. Port-a-Johns were discussed. The Council had said in March that they would cover the costs of them but the Reunion committee was going to line up where to put them. The Park Board has reserved 10 for in the park. The Reunion Committee has reserved 6. There will be an Air show and airplane displays at the City Airport. Committee asked for help from the Council to get the street closed next to where they are having the Street Dance. Committee will also meet

with the Park Attendants and the Police Dept. on an emergency plan for campers and people attending the reunion functions.

Motion was made by Merschman to approve passage of Resolution #21-14 RESOLUTION APPROVING STATE OF MINNESOTA JOINT POWERS AGREEMENTS WITH THE CITY OF BAGLEY ON BEHALF OF ITS CITY ATTORNEY. Seconded by Brovold, passed unanimously.

Motion was made by Brovold to approve the quote of Roy Abraham Construction in the amount of \$5,108.23 contingent the building material includes the wood railing. Seconded by Merschman, passed unanimously.

Police Chief Peterson showed the Council a letter which he will be giving out concerning the traffic study done near 6th St. NE. Chief is working on the Disaster Plan with the County. Chief Peterson asked permission to hire a 4th Officer for the Department. Current Officer Thomas Brault will be resigning from the City on June 9th to work for Polk County. Officer Shawn Powell, who works for the County now, could work part-time in June and then go full time for the City in July. All background checks have been done. Motion was made by Anderson to approve the hiring of Shawn Powell for the 4th Officer position. Seconded by Merschman, passed unanimously. Wages to follow the Union Contract.

Motion was made by Brovold to approve the 14th draw request for Small Cities Funds in the amount of \$21,550. Seconded by Anderson, passed unanimously. More advertising will be done due to the fact there are still funds available.

The airport house has been tested for asbestos and tested negative for all tests. Final report will be gotten by next meeting.

A letter of resignation has been received from Michel Enterprise for the janitorial work at City Hall. Motion was made by Brovold to advertise for a janitor/cleaner for the City Hall and for the new Library. Wages to be negotiated with contract. Seconded by Merschman, passed unanimously.

Clerk was informed by the City Insurance Agent that anyone who rents the Community Room needs to have a certificate of insurance from their insurance.

Elections are coming up this fall and the County has set their Canvassing Board dates for August 15 @ 9 a.m. and November 14 @ 9 a.m. Mayor Michel or Merschman will take care of this.

City Canvassing Board will be held on November 12th at 5:15 p.m. before the City Council meeting on that date.

Motion was made by Anderson to approve Resolution #14-14 NORTHERN MUNICIPAL POWER AGENCY ADVISOR appointing Dennis Merschman as Advisor to their board. Seconded by Brovold. For Anderson, Brovold, Michel. Abstain: Merschman. Motion carried.

Motion was made by Anderson to approve Resolution #15-14 NORTHERN MUNICIPAL POWER AGENCY DIRECTOR appointing Mike Jensen Director. Seconded by Brovold. Motion carried.

Brovold stated that he is working on the job description for the Liquor Store Assistant Manager and Dept. Heads are to be working on theirs.

Mayor asked if the Council has thought anymore on the wages for Council Members and Mayor. Brovold suggested raising the special meeting amount from \$50 to \$75 per meeting. Merschman expressed raising the Council pay to \$1500 per year and Mayor \$2,500. These wages will be discussed further at the June Council meeting.

Anderson stated there have been complaints on the entrance to the Liquor Store off Willberg Street. Masterson will look into putting a sign in the area.

Masterson said that his plow truck needs repairs done to the cable system in it. He will be working on switching controls in two of his trucks.

Motion was made by Merschman to put a cement floor in the salt shed and a cement apron. Cost to be approximately \$6,083 and will come out of the R&B designated funds.

Motion was made by Merschman to adjourn. Seconded by Anderson. Passed unanimously.

The Bagley City Council held a Public Hearing in the Bagley City Council Chambers on June 10, 2014 at 5:30 p.m. concerning the development of a Tax Increment Financing District.

Traci Ryan, David Drown Associates, was present to speak with the Council and the public on the creation of a Redevelopment Tax Increment District. This District will modify the 2-1 District and create a new 2-4 District. The District is being considered due to the fact that the Cornerstone Rehab and Nursing Home is considering the expansion and remodeling of the home. A draft plan was drafted and proper notice was sent to the School District and Clearwater County. The reason to modify the 2-1 District was because it was old district and other districts were added to the new District that could be redeveloped. Sites added were Marty Brothers Feed Store, Cornerstone Rehab, Food-N-Fuel along with the house behind it, and the Dutch Mill Motel with the lot next to it. Adding these sites just means that there is potential to build on these lots. Budget is \$3 million dollars to receive and to spend. It is possible it could generate this, but it could also go lower. Maximum life of the district is 26 years. The maximum debt is 1.5 million dollars. Allen Potvin, owner of Cornerstone Rehab is looking at three Phases. Phase 1 - construction of expansion to the present facility. Phase 2 is the remodeling and construction of one wing and Phase 3 is the remodeling and construction of the other wing. Each component carries a cost of 1.5 million dollars. The Council would not be approving assistance tonight; they would be approving creating a TIF District which gives the Council the legal authority to provide assistance. Development Agreement will be worked on over the next few weeks. Resolution that the Council will be considering tonight will be: 1 – the TIF District will be a redevelopment district as defined by MN Statutes; 2 – proposed development or re-development would not occur solely through private investment; 3 – the plan conforms with development or re-development of the City and the 4th finding if the TIF Plan will afford maximum needs with the City of Bagley.

Mayor questioned, knowing that Potvin is funding the costs of setting up the plan, if another developer wants to get in on the plan, they must share the costs with Mr. Potvin. Ryan agreed. Merschman questioned the years on the plan. Ryan explained that it will be what the council sets it up to be, does not have to go to 26 years. Plans can only be set up in the first five years. Mr. Potvin would like to have the longest term he could get. Plans for the project are done and bids should be let on June 23rd and get back by July 7th, and then decide within four days. Ground breaking should be done on July 1st.

One issue is that Mr. Potvin is running into some additional site improvement costs. This will need to be discussed further. There will be additional costs for this and the State will not allow him to go over the 1.452 million dollars. Bonds will be looked into further when a development agreement is discussed. Ryan is waiting for some information from the County Assessor's office. Additional site clean-up costs will be approximately \$150,000.

The Council will only be approving a TIF district and the plan should be ready by the first meeting in July. Terms of the plan will be drawn up by Drown Associates and looked at by legal Council also.

Mr. Potvin showed the council plans for the new addition. The County Assessor will be looking at them closer to figure up the taxes on the project. It will take a little over two years to get the whole project completed.

Mayor asked if there was any further input from the Council or the audience. None was heard. Mayor closed the Public Hearing at 6:03 p.m.

The Bagley City Council meeting was opened at 6:04 p.m. Members present were Mayor Sidney Michel, Council Members David G. Anderson, Chad Bonik, Dennis Merschman, Jon Brovold, City Clerk Treasurer Colleen Lindgren, and Deputy Clerk Faye Jacobs.

Also present: Police Chief Larry Peterson, Seth Tramm, Street Superintendent Bill Masterson, Allen Potvin, Kari Swanson, Cierra Jobgen, Liquor Store Manager Chris Arnold, Fire Chief John Gerbracht, Utilities Manager Mike Jensen, and Doug Lindgren.

Motion was made by Merschman to approve the minutes of May 13, May 28 with correction of changing Mayor Beltz to Mayor Michel, and June 6th. Seconded by Anderson, passed unanimously.

Seth Tramm spoke to the Council about removing trees on the hospital hill. The MN Air Medical Council has notified the Hospital that the helicopter can no longer land at the hospital due to the trees in the air space which they need to land, according to FAA. He is concerned due to this is not the best for patients. Tramm is present tonight to get the Council's thoughts on clearing off the trees on the hill. Helicopters cannot meet the 8 to 1 approach slope requirement and 4 to 1 accent. Must have 90 degrees separating the accents. The rock wall may also come into the equation. Tramm asked permission to clear the trees and then wait until it is inspected to do anything further. As of right now they cannot land helicopters at the hospital and they are using the airport. This puts increased costs to the patients plus time to get everyone back and forth to the airport. The inspector may come in in three weeks and Tramm would like to have the trees done now. Mayor said that a meeting could be gotten together quite fast to make a decision after the inspector is there. Cutting the trees would change the whole landscape and there may be other work that then needs to be done. Merschman asked whose expense it would be. Tramm said the expense could be covered by Sanford. Street Superintendent Masterson will be notified when the inspector comes in and the Mayor can call a meeting within three days.

Discussion was held on the earlier Public Hearing. Motion was made by Councilman Brovold to pass Resolution #24-14 APPROVING THE REMOVAL OF PARCELS FROM TAX INCREMENT FINANCING DISTRICT NO. 2-1, THE ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 2-4, AND ADOPTION OF THE TAX INCREENT FINANCING PLAN RELATING THERETO. Seconded by Merschman, passed unanimously. Ryan stated that she will return to the Council meeting on July 8th.

City Receipts for May were reviewed. Total revenue for May was \$77,328.96.

Budget reports for May were reviewed. Total expenses for May were \$156,965.03.

Budget report for the Golf Course Liquor: Expenses for the year are \$568.26. No income has been generated as of May 31st.

Budget report for the Municipal Liquor Store: Total Gross Profit on liquor sales for May is \$28,222.38. Expenses for May \$21,957.85 which includes \$1,572.08 for depreciation. Net income for June is \$6,264.53.

Motion was made by Bonik to pay the outstanding bills for the City in the amount of \$37,538.35 and the outstanding bills for the Liquor Store in the amount of \$45,633.11. Seconded by Anderson, passed unanimously.

Department reports: Police Chief Larry Peterson. Activity report for May was reviewed. Chief has 4 vehicles at the impound he would like to put out on bids with the County when they do theirs on salvage bids. Motion was made by Merschman to approve the sale of the vehicles for salvage. Seconded by Brovold, passed unanimously. Motion was made by Merschman to approve the sale of the vehicles at the County auction for salvage. Seconded by Anderson, passed unanimously. Officer Shane Powell will begin work with the City very soon. Chief has met with different people on the emergency management plan for the city. A list of shelters will be gotten in case of storms. Mayor will be contacting a number of places for use. Motion was made by Bonik to copy the flyer at City Hall and print off a large amount and disperse as deemed necessary. Seconded by Anderson, passed unanimously.

Liquor Store: Manager Chris Arnold. Fireworks Fundraiser will be held on June 13th at Fireside Bar & Grill. Arnold has looked into Televisions for the security system at the Liquor Store. Galli Furniture has a 40 inch for \$495, a 46 inch for \$619 or a 50 inch for \$669. Motion was made by Bonik to order a larger TV, up to 50 inch, for the price of \$669 from Galli Furniture. Seconded by Anderson, passed unanimously.

Park & Recreation Board: Doug Lindgren, Chairman. The playground has been moved and the parking lot has been paved. Lion members are putting steel on the shelter roofs. Disc Golf is being located. The Tennis court and basketball court will be resurfaced soon. Masterson reported that the parking lot has been painted and curb stops have been put on it. Speed bumps will also be put in.

Zoning: Bill Masterson. The sign at Family Dollar is in City right-of-way. The Family Dollar Store Attorney and City Attorney Chris Hood have drawn up a license agreement. The Family Dollar store will pay for all costs of the license. There are still two issues that need to be taken care of and those are screening on the north and east side and a water shutoff pipe which was damaged needs to be taken care of. Sign is 1.48 feet into the right of way. Motion was made by Merschman to approve the license pending the other two issues are taken care of first. Seconded by Anderson, passed unanimously.

Fire Department: Fire Chief John Gerbracht. \$5,000 of fireworks have been ordered for July 4th. Turn Out gear was discussed. The Fire Dept. is in need of two more sets at a total cost of around \$6,000. Motion was made by Anderson to approve the purchase of two more sets of Turn Out Gear. Seconded by Brovold, passed unanimously.

Firemen's Ball: \$10,000 donation was gotten from Team Foundation. A \$10,000 grant request was put into Enbridge and also a matching \$10,000 grant was applied for through the DNR. The Firemen's Ball funds will go towards a wild fire/search & rescue unit. This will be a side by side to use in swamps and such. Discussion was held on a trailer which will be needed to haul it around and where to store it.

The airport house burn is being worked on. The DNR recommends that a certified instructor come in to help with the training. Training funds will cover the cost of the instructor.

Roads & Bridges: Superintendent Bill Masterson. Bemidji Bituminous has paved 60 feet of alley by the St. Joseph Church. A lot of work is being done in the park. One sweeper is broken down. A policy for Street Signage needs to be adopted. This is a policy to replace and checking signs within the City. Policy needs to be in place by June 15th. Visual inspection can be done and sections of the town can be done each year. Motion was made by Brovold to approve the Street Sign Replacement Policy as presented by Supt. Masterson. Seconded by Anderson, passed unanimously.

Public Utilities: Manager Mike Jensen. Utilities additions for Cornerstone and the Schools have been worked on, plus the Kastner Addition.

City Hall: Clerk Treasurer Colleen R. Lindgren. The people who have purchased the old liquor store questioned the payment of a bill to Neill's Plumbing & Heating for the repairs of wires which were cut when the walk in cooler was taken out. Bill totaled \$262.50 for labor on the AC wiring. Motion was made by Anderson to pay for the repair billing of Neill's Plumbing & Heating in the amount of \$262.50. Seconded by Brovold. Passed unanimously. Funds to be paid out of the Liquor Store Savings account.

Clerk opened the one bid received for the sale of the old liquor store cooler. Brian Hartmann, Battle Lake, MN bid \$3,500. Motion to accept was made by Merschman. Seconded by Anderson, passed unanimously.

Motion was made by Anderson to adopt Resolution #22-14 ACCEPTANCE OF DONATION accepting donations for Fire Works. Seconded by Bonik, passed unanimously.

Motion was made by Anderson to adopt Resolution #23-14 ACCEPTANCE OF DONATION accepting donations for flowers. Seconded by Bonik, passed unanimously.

A meeting will be held in Bemidji on June 17th with the District 2 Planning Committee of the Greater Minnesota Regional parks & Trails commission. Motion was made by Merschman to approve sending three (3) people to the meeting. Seconded by Brovold, passed unanimously.

Motion was made by Merschman to hold a meeting between the City Auditors, Public Utilities Commissioners, and City Councilmembers on July 7th at 5:30 p.m. in the Council Chambers. Seconded by Brovold, passed unanimously.

Motion was made by Anderson to approve hiring the following for Election Judges for 2014: Kay Peterson-Head Judge, Lou Ellen Christianson, Lorraine Brustad, Diane Nowacki, Helen Johnson, Alice Gunderson, Sylvia Larson, and Ruby Bergquist with wages to be \$15.00 per hour. Seconded by Bonik, passed unanimously.

Mayor asked for discussion on wages for Mayor and Council Members. This must be done by ordinance. Suggestions were to raise the per meeting amount to \$60 and the Mayor pay to \$2,500 per year and Councilmembers to \$1,500 per year. Merschman asked if the meetings being held on Tuesday set in stone cause he would like to see it set on Wednesday.

HRDC Small Cities Grant Program review was discussed.

Clerk reported that she had gone to the mandatory DEED meeting on the Revolving Loan Funds. Funds are tied into HUD. Federal funds can be transferred to a Local Development Organization if there is one in the City. It cannot go to an EDA. If the funds are transferred to another LDO and loaned out, they would no longer be federal funds. All agencies that have RLF must attend these meetings or jeopardize getting any more funds. Reporting requirements must be followed in October of each year. This is for new business's only and cannot be used in an Industrial Park.

Masterson reported that he has spoken to Karvakko Eng. on fencing at the airport. Fences must be 140 feet from the edge of runway. In future expansion the fence must be 250 feet from the edge of the runway.

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

The Bagley City Council met on June 25, 2014 at 5:30 p.m. in the City Council Chambers.

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

Also present: Street Superintendent Bill Masterson, Utilities Manager Mike Jensen, Police Chief Larry Peterson, Sam Anderson from Karvakko Engineering, Officer Clarence LaCroix, and Todd Hagen, Ehlers & Associates via conference call.

Motion was made by Merschman to accept the minutes of June 10th, 2014. Seconded by Anderson, passed unanimously.

Police Chief Larry Peterson was present to inform the Council on the use of the Body Camera's which the department has purchased.

Sam Anderson, Karvakko Engineering, was present to inform the Council on the opening of bids for the Crack sealing project at the Bagley Airport. Only one bid was received which was from Fahrner Asphalt Sealers at a price of \$9,617. Motion was made by Merschman to accept the bid of Fahrner Asphalt for \$9,617. Seconded by Bonik, passed unanimously. Motion was made by Anderson to pass Resolution #30-14 AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT OF TRANSPORTATION GRANT AGREEMENT FOR AIRPORT IMPROVEMENT EXCLUDING LAND ACQUISITION. This resolution is for the crack sealing project.

Motion was made by Anderson to approve passage of Resolution #25-14 AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT OF TRANSPORTATION GRANT AGREEMENT FOR AIRPORT IMPROVEMENT EXCLUDING LAND ACQUISITION. Seconded by Bonik, passed unanimously.

Motion was made by Anderson to have the Mayor and Clerk sign the Amendment to the Grant Agreement for Airport Maintenance & Operation State Fiscal year 2014 only. Seconded by Bonik, passed unanimously.

Bill Masterson, Street Supt. Masterson asked for Council's permission to replace some equipment which was disposed of by the Clean Up crew. Motion was made by Bonik to replace the equipment up to a cost of \$90. Seconded by Anderson, passed unanimously.

The Family Dollar Store will be moving their sign and putting up their fence.

Utilities Manager Mike Jensen stated that they are putting power in the Kastner Addition but he does need some corner lots marked out. Clerk was asked to contact Brustad Surveying to get the job done.

Motion was made by Brovold to pass Resolution #26-14 PERA POLICE OFFICER DECLARATION. Seconded by Merschman, passed unanimously.

Motion was made by Merschman to pass Resolution #27-14 A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$135,000 TAXABLE GENERAL OBLIGATION EQUIPMENT REFUNDING CERTIFICATES, SERIES 2014B AND LEVYING A TAX FOR THE PAYMENT THEREOF. Seconded by Anderson, passed unanimously.

Motion was made by Merschman to pass Resolution #28-14 A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF \$890,000 TAXABLE LIQUOR ENTERPRISE REVENUES REFUNDING BONDS, SERIES 2014C AND PLEDGING LIQUOR ENTERPRISE REVENUES FOR THE SECURITY THEREOF. Seconded by Bonik, passed unanimously.

Motion was made by Anderson to pass Resolution #29-14 AMERICAN LEGION POST #16 BINGO PERMIT. Seconded by Bonik, passed unanimously.

Motion was made by Brovold to pass Resolution #31-14 TRANSFER OF DESIGNATED FUNDS. Seconded by Anderson, passed unanimously. This resolution transfers \$3,500.40 into the Library funds.

Motion was made by Brovold to pass Resolution #32-14 RESTRICTED FUND TRANSFER. Seconded by Anderson, passed unanimously. This resolution transfers \$1,334.22 into the Police Dept. capital outlay.

Motion was made by Brovold to pass Resolution #33-14 RESTRICTED FUND TRANSFER. Seconded by Bonik, passed unanimously. This resolution transfers \$5,886.55 into the park capital outlay.

Due to primaries, the Council meeting for August must be changed to a different date. Motion was made by Bonik to change the August meeting from August 12th to the 13th at 5:30 p.m. Seconded by Merschman, passed unanimously.

Motion was made by Brovold to approve payment of the Small Cities Grant invoices in the amount of \$22,327.36. Seconded by Anderson, passed unanimously.

Discussion was held on the City Web page and how much traffic has been on it.

The Council has been invited to a meeting in Erskine on July 17 being put on by Northwest Service Cooperative on Health Care & Health Insurance. Mayor Michel and Clerk Lindgren will attend.

Clerk informed the Council that she has shown the rooms at the Library to someone who is interested in renting them for their business. Council was not sure whether they are ready to rent out the rooms yet. Merschman asked about renting out the old library until it gets sold. Members stated to table the matter at this time. A plan is also needed for non-profits to rent the community room. Motion was made by Merschman to charge \$100 with \$50 refunded if the kitchen is not needed and the room is clean. Seconded by Bonik, passed unanimously.

The MN Dept. of Health will be at the July 8th Council meeting to go over the Wellhead Protection Plan amendment.

Merschman requested that the City Council attend a meeting of the Public Utilities on July 14th at 6 p.m. Widseth Smith Nolting will be present to discuss infrastructure in the City.

Discussion was held on the ramp being built in front of the Police Department.

Deputy Clerk Jacobs asked permission to attend a Sales & Use Tax meeting being held in Bemidji on September 8th. Cost is \$249. Motion was made by Anderson to approve this training for Jacobs. Seconded by Bonik, passed unanimously.

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

The Bagley City Council met in special session on July 7 at 5:30 p.m., jointly with the Public Utilities Commission.

Meeting was held to discuss the 2013 audits of the City and the Public Utilities.

Present: Mayor Sidney Michel, Council Members Dennis Merschman and Chad Bonik, City Clerk Treasurer Colleen R. Lindgren, Deputy Clerk Faye Jacobs, Utilities Commissioners Tom Lillegaard and Andy Anderson, Utilities Manager Mike Jensen, Utilities Office Manager Vicki Fletcher and Auditor Sandy Nelson.

Absent were Council Members Jon Brovold and David G. Anderson.

Mayor Michel opened the Council Meeting and Utilities Chairman Anderson opened the Public Utilities meeting.

Miller, McDonald Auditor Sandy Nelson presented the boards with the utilities audit first.

After going over the audit Nelson stated that as a requirement the City and the Utilities should have an Out Of State Policy for the Commissioners and employees. Clerk stated that the City has this in place now.

Utilities Commissioners will wait until their next meeting to act on the audit.

Motion was made at 5:52 p.m. by Commissioner Merschman to adjourn the Utilities portion of the meeting. Seconded by Lillegaard, passed unanimously.

At 5:53 p.m. Auditor Nelson reviewed the City of Bagley Audit with the Council. All activity for the City looked good. No major discrepancies were found.

On review of the Liquor Store, Auditor Nelson stated that the gross profit percentage on sales is low and should be adjusted. Council took this under advisement.

Council will discuss the audit further at the next Council meeting before voting on acceptance.

Motion to adjourn was made by Merschman. Seconded by Bonik, passed unanimously.

The Bagley City Council met in regular session on July 8, 2014 at 5:30 p.m. in the City Council Chambers.

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

Also present were Police Chief Larry Peterson, Street Superintendent Bill Masterson, Utilities Manager Mike Jensen, Liquor Store Manager Chris Arnold, Allen Potvin, Sally Navratil, Jamie Marchand, Chris Parthun, Doug Lindgren, and Margrette Rusch.

Motion was made by Merschman to approve the minutes of June 25 and July 7th as presented. Seconded by Bonik, passed unanimously.

Chris Parthun, MDH Drinking Water Protection Planner, was present to update the Council and the public about the Cities Wellhead Protection Plan. The plan was originally done in 2007. An update is going on right now. There has been a decrease of water consumption and the City passed with flying colors. The plan is all about protecting human health and the drinking water. The City is providing high quality water to its residents. The City will need to hire a consultant to do the Part II of the plan. Part II must be completed by July 2015, ending with a Public Hearing at that time. Parthun reviewed the plans and maps for the City area.

Sally Navratil and Margrette Rusch were present to request dust control be done on McDougall Ave. There is much more traffic due to the Dollar Store being built in the area. Street Superintendent Masterson was asked to check on getting some calcium chloride to put on the street.

City Receipts for the month of June were reviewed. Total receipts were \$483,308.49.

City budget reports for June were reviewed. June expenses totaled \$88,291.01.

Liquor Store reports were not available at this time.

Motion was made by Brovold to approve payment of the outstanding City and Liquor Store bills. Seconded by Bonik, passed unanimously.

Department Reports: Police Chief Larry Peterson. All went well for the School Reunion. Evacuation was needed due to storms. Golf Cart ordinance may need to be revisited.

Clerk was told by the Park Attendants that the Fire Dept./Police Dept. did a great job during the storms and wanted to thank them for all the good service. Many good comments were heard about the City and the great fireworks display.

Liquor Store: Manager Chris Arnold. Arnold stated that business was great during the Reunion. He put in lots of extra hours before and during the reunion plus the coming weekend will be busy during the Softball tournaments and crazy days and would like to work a few less hours during the next pay period. Brovold said that an exempt employee does put in extra time to get the job done and try to balance it out later. Arnold was told to work it out with Jacobs who does the payroll.

Jacobs talked on the credit card carrier which was talked about earlier. There are two companies she has worked with. The MMBA uses US Bank and presently we use Pivitol. A new carrier called Co-Card would save a small amount of money for the City over the US Bank in the first year. Jacobs stated that it took a long time for US Bank to get back to her with information and with Co-Pay you get a call back right away and the person we presently work with has the Co-Card. Her preference would be to go with Co-Card. Motion was made by Merschman to go with Co-Card and update the credit card machine. Seconded by Bonik, passed unanimously. Arnold stated that by this fall we will need to update our software for the Liquor Store computers/tills.

Park & Recreation-Doug Lindgren, Chairman. Lindgren thanked Masterson & Jenson for all the work they have helped with in the City Park. The Tennis Court and Basketball courts have been resurfaced, the disc golf is up and about ready to go, 4 new camping sites have been completed, rafts are out, more fire rings have been put in. Plans are underway to have a Disc Golf Tournament on July 26th.

Fire Dept. – Clerk Lindgren read a letter from the Engen Family thanking the Dept. for their help in the evacuation of the park over the 4th. Bonik reported that the Ranger has been purchased by the Fire Dept. Members are now looking at specs for a fire truck/pumper truck.

Roads & Bridges – Bill Masterson, Superintendent. Trucks have been repaired and are back. A meeting will be held on Friday July 11th at 8 a.m. with Enbridge Pipeline. They would like more easements at the City Airport. Clerk was asked to post the meeting for Friday at 8 a.m. League of MN Cities Ins. Trust agent will be here to do some safety checks this week. It may be required that sidewalks are to be located at all exit doors of the new library building. Estimated cost is around \$8,000.

Public Utilities – Mike Jensen reported on the activities of his department.

City Hall – Clerk Colleen Lindgren. June Website Activity was reviewed. Election Judge training will begin next week. Filing for Mayor & 2 Council members will begin on June 29th and end at 5 p.m. on August 12th.

Budget meeting work sessions are set for July 23rd, August 5th, August 6th and August 19th at 5:30 p.m.

Motion was made by Merschman to accept the 2013 Audit as presented by Miller McDonald, City Auditors. Seconded by Bonik, passed unanimously.

Clerk presented the Council with Ordinance No. 173 – AN ORDINANCE AMENDING CHAPTER 30 OF CITY CODE RELATING TO COMPENSATION OF MAYOR AND COUNCIL MEMBERS. Motion was made by Merschman to pass Ordinance No. 173 and to have the Clerk publish it in the Bagley Farmers Independent on July 16, 2014. Seconded by Brovold, passed unanimously.

Motion was made by Brovold to pass Resolution #34-14 TRANSFER OF DESIGNATED FUNDS. Seconded by Bonik, passed unanimously.

Motion was made by Brovold to pass Resolution #35-14 TRANSFER OF RESTRICTED FUNDS. Seconded by Bonik, passed unanimously.

AUGUST COUNCIL MEETING WILL BE HELD ON AUGUST 13TH INSTEAD OF THE 12TH DUE TO PRIMARIES.

Mayor Michel, Councilman Brovold and Clerk Lindgren will meet with the Police Dept. Union negotiator at 7:30 a.m. on July 17th.

Allen Potvin was present to report to the Council that the rumors going around that he is purchasing Garden Place are false. Potvin invited Council Members to the ground breaking for his addition to Cornerstone Nursing Home on July 29th at 4:45 p.m.

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

The Bagley City Council met in special session with the Bagley Public Utilities on July 14, 2014 at 6 p.m. in the City Council Chambers.

Present: Mayor Sidney Michel, Councilmember Jon Brovold, Dennis Merschman, Chad Bonik, City Clerk Treasurer Colleen R. Lindgren.

Also present: Andy Simons, Tom Lillegaard, Vickie Fletcher, Mike Jenson, Pat Conroy and Jordan Lee from WSN.

The Bagley Public Utilities is proposing to do a major water & sewer project in the City. Conroy & Lee, Widseth Smith Nolting, were present to speak on a number of funding areas for the project. 1) USDA Rural Development, 2) MN Small cities Development Program, 3) MN Public Facilities Authority.

Stage 1. Conroy would like to get moving on the Rural Development application for funds due to a November 15th deadline. The City of Bagley City Council will need to be the ones that put in the applications.

Step 1 is the pre-application which needs to be done by the City. WSN Engineer Curt Meyer has the preliminary engineers report, but was unable to make it to tonight's meeting. Conroy would like the report to go in within 30 days. If approved, the City should be able to get a mid-rate of 3 ¼% interest rate.

Conroy will need the cities Duns number and 5 years of City Audits.

Stage 2. Send in a rate schedule from the public utilities and the final engineering report. Conroy would like this done by October 1st.

A second place to find funding is the Small Cities Development Program. These are all grant funds and could be up to \$600,000 which is the maximum. Service lines to houses could be covered in the housing area of this application. This is due in by November 15th. The LMI for Bagley is 55.1% at a \$30,000 income level.

The complete application is due by February 2015 if the pre-application is approved in November.

Third place to find funding is the Public Facilities Authority. Two areas in this application which may provide funding are the Clean Water Revolving Fund (which covers the sewer area) and the Drinking Water Revolving Fund which covers the water. These are both loans at a 1 ½% interest rate.

Clerk was asked to check with the MN Initiative Fund/Tim Flathers/to see if they have any grant funds to help cover the costs for the writing of the applications and working on this project.

Motion to adjourn the City Council portion of the meeting was made by Brovold. Seconded by Bonik, passed unanimously.

The Bagley City Council met in special session on July 22, 2014 at 7:30 a.m. in the City Council Chambers.

Present: Mayor Sidney Michel, Council Members Dennis Merschman and John Brovold, City Clerk Treasurer Colleen R. Lindgren and Brad Peterson from the Coalition of Greater MN Cities.

Brad Peterson updated the Council on issues that the Coalition helps with in the state. State Budget projections are good and funds are coming in above projected amounts.

The Coalition has seen the 3rd smallest increase in City Levy in the past 10 years. Cities are starting to do catchup now in their budgets. The City of Bagley's LGA proposal is up by \$6,548 under the new formula. LGA is 2-3% of the overall State Budget.

Discussion was held on annexation of property and how it works. Peterson suggested that if the City is looking at any annexation they should work with Attorney Chris Hood.

Broadband Services – there is \$20 million in grant funds which might cover 3 or 4 systems.

The Coalition worked a lot on Economic Development for the State. The Greater MN Transportation got a lot of funding but more is needed for the light rail transit.

They are studying what impact the oil boom will have on Minnesota. There are a lot of changes coming on all the projects in the State.

Motion was made by Merschman to adjourn at 9 a.m. Seconded by Brovold, passed unanimously.

-----CITY COUNCIL PROCEEDINGS

July 23, 2014

The Bagley City Council met on July 23, 2104 at 5:30 p.m. in the City Council Chambers.

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

Also present: Police Chief Larry Peterson, Enbridge Reps. Evan Carlson, Trevor Lindblom, Cy Williams and Jay Manders, Utilities Manager Mike Jensen, Tiffany Fettig, Street Supt. Bill Masterson, Allen Potvin, and Kari Pickett.

Motion was made by Merschman to approve the minutes of the July 8, 2014 Council meeting as written. Seconded by Brovold, passed unanimously.

Mayor Michel called upon the gentlemen from Enbridge. They are proposing to put a pipeline through the City Airport. Mayor said that Enbridge has put in a proposal but Merschman said that State aeronautics is against the purchase of an easement for Enbridge to go across the city airport. This will get defined more on the land purchase of whether or not the State or just the City purchased the land for the airport. More information is needed before the Council signs any forms with Enbridge. Discussion was held on if the City were to put in a Cross Winds runway also. Williams said that Enbridge is currently working on an agreement with MN Pipeline because they do have a pipeline across the airport also. City is to come up with some language for a cross winds air strip. Williams did not think that the easements will

interfere with the runways. Enbridge would also need temporary workspace which Masterson felt there would not be a problem finding room for this. Williams was asked to get the information he receives for MN Pipeline contracts to the City Clerk.

Tiffany Fettig, HRFC/HRDC, was present to speak with the Council on the Federal Revolving Loan Funds which the City has. Fettig attended training on what the City may need to do with these funds. DEED & HUD want to make sure that these funds are being used the way they are supposed to be used. There are new rules to go by and/or to de-federalize the funds. These funds are to be used for manufacturing or industrial projects. To de-federalize the funds the City would lose some control but gain better use of the funds. The City could do an agreement with a Local Development Organization (LDO). This would be an independent organization who would still report to the City on the funds. HRDC, HRFC, and Greater Bemidji would qualify as an LDO. The funds would not be de-federalized until they are loaned out and then repaid to the City. The City should have a representative on the LDO Committee. The City could define where the funds were and how they are used. Reporting is still done by the city until the funds are gone. The Council would need to adopt a Resolution in order to set up an LDO. The City at some point will need to do something with the Federal Funds.

Discussion was held on the new TIF District which is being set up and will cover the additions being constructed at the Cornerstone Rehab & Nursing Home. Tracy Ryan, from David Drown & Associates, has prepared a letter for Council action. Clerk explained that one concern of Allen Potvins is that his project should not be started until the whole project agreement is in place. This is false. Ryan told both the Clerk and Potvin that he is allowed to begin his project being the Council has approved the District. David Drown & Traci Ryan have done these agreements for over 20 years so an Attorney is not needed, if the Council agrees. Costs for the development agreement are to be paid by Allen Potvin. There are terms in the agreement which both Potvin and the City must abide by. One of the terms the City must set is how many years the TIF District will be set up for. This can be anywhere between 15 years and 26 years. One of the terms for Potvin is that he must reimburse the City for all costs incurred in connection with the creation of the TIF District and preparation of the Development Agreement. No bonding is needed on this project. Potvin has agreed with the terms suggested by Ryan in the agreement. Potvin has three years to finish the project and the first TIF payment would be made in January 2017. Motion was made by Merschman to accept the terms as proposed by Ryan and to set the term for fifteen (15) years or \$400,000 whichever occurs sooner. Seconded by Bonik, passed unanimously. Motion was made by Merschman to have Traci Ryan do the agreement and have the Mayor and Clerk sign the paper work. Seconded by Anderson, passed unanimously.

Potvin reported that at the Court House it is recorded that he owns the road on the north side of the nursing home. He is proposing to put in Duplex's along Hallan Ave. He needs to know where the sewer & water lines are so that he can begin to construct these new buildings. Jenson stated that the plumbing engineer for a city project will be in the office tomorrow and they will set a time to meet with Potvin on the project he is proposing.

Kari Pickett was present to speak with the Council about a 5K Colorplotion run which TEAM is working with the Nursing Service and Sanford, with all proceeds to go to Clearwater Hospice. The run would begin in the City Park and end in the City Park. Event to be held on Sept. 13th at 10 a.m. Motion was made by Bonik to allow the run through the park and the City. Seconded by Anderson, passed unanimously. Street Dept. & Police Dept. will be asked for some help.

MnDOT aeronautics office and the Federal Aviation Administration will be holding meetings to work on the CIP for the airport. In past years Masterson and Lindgren have worked with Karvakko Eng. on the CIP. Council felt they should again work with Karvakko.

Motion was made by Merschman to approve the Application for Exempt Permit put in by the Bagley Firemen Relief Association to hold a raffle on September 11, 2014. Seconded by Anderson, passed unanimously.

Cleaning contracts to clean the City Hall and Public Library were reviewed. Motion was made by Merschman to contract with Glenn's Carpet Service for six months. Seconded by Bonik, passed unanimously.

A resolution from Public Utilities requesting that the City Council hold a public hearing to levy utility billing on a parcel of property located within the City of Bagley was discussed. Motion was made by Anderson to pass Resolution #36-14 COLLECTION OF UNPAID SERVICES. Seconded by Brovold, passed unanimously. A public hearing is scheduled for August 6, 2014 at 5:30 p.m.

Discussion on the 2015 City Budgets. Police Chief Larry Peterson asked about getting a radar recorder from the funds which were gotten from the sale of seized vehicles. This unit costs around \$1500.00. An upgrade in the computer system is needed for \$765. Peterson would also like to put funds into a future squad car fund. Members suggested putting \$10,000 for 2015. Mayor asked if Councilmembers want to keep the 4th Officer or not. Grant will run out the end of this Sept. Clerk Lindgren has put in a request for an extension due to all the funds will not be used by that time. Peterson will check on the over-time and call out time for Officers and bring to the next budget meeting.

Street Dept. Superintendent Bill Masterson. \$90,000 would be the cost of a snow blower and \$15,000 for a tractor with mower for the Street Dept. The airport has runway issues. Masterson would like to see the cracks cut out and replace the asphalt. Some crack sealing will be done under the Street Dept. budget for 2014. In the near future the County is going to be working on the road from 92 to Cease Funeral Home. They would like to see curb & gutter put on this block.

City Hall – Clerk Colleen Lindgren. Lindgren informed the Council that another vault would be needed if the City were to sell the old Library Building. Clerk was instructed to check with someone on the construction of a vault and with the state for a fire proof door.

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

\$2000 was put in for misc. equipment. Clerk was asked to check into the cost for chairs for the Council Chambers.

The Library may be in the need of sidewalks. This is highly recommended by the insurance company and if the back area is used a fence will be needed around the property.

City Park – Brovold reported on what the park board discussed. They are looking at upgrading the roads, fix Beach Road where the water stands, lengthen lots 3-7, level out or build up lots 19 & 20, make more parking by the upper shelter, put showers on outside of the beach house, fishing pier, floating docks, and refurbish the inside of the bath rooms with new sinks, stalls, etc.

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

The Bagley City Council met in special session on July 29, 2014 at 7:30 a.m. in the City Council Chambers.

Present: Mayor Sid Michel, Councilmembers David G. Anderson, Jon Brovold, Dennis Merschman and Clerk Treasurer Colleen R. Lindgren.

RE: Janitorial Contracts.

Merschman made the motion to rescind his motion from July 23rd Council Meeting to hire Glenn's Carpet Cleaning to clean the City Hall and the Public Library. Seconded by Brovold, passed unanimously.

Clerk was asked to check on the job description of the Librarian to see if she would be able to do any of the cleaning. Brovold feels the Library/LARL should have some responsibility on cleaning the library. Clerk was also asked to check with Lake Agazie on funds to help with the cleaning.

DAC had formerly cleaned the old library building. Clerk was asked to speak with them to see what they can or can't do and to show someone there what needs to be done. Check to see if they could possibly clean the new library.

Motion was made by Merschman to table the janitorial cleaning until it can be checked into further. Seconded by Anderson, passed unanimously.

Motion was made by Anderson for Councilmembers not to receive the usual stipend for a special meeting this time. Seconded by Brovold, passed unanimously.

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

The Bagley City Council met on August 5, 2014 at 5:30 p.m. in the City Council Chambers.

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

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

Discussion for the meeting is to work on the 2015 City Budgets. Mayor Michel stated that he would like to see that NO pay increases be given until July 2015. He would like to protect the City in case the LGA gets cut by the State.

Clerk explained what she has figured into budgets so far.

Police Chief Peterson discussed the Police budget. A "black box" for speed control/traffic count and monitoring speed is wanted. Cost to be approximately \$1,500 along with designated funds. Council discussed the longevity of a 4th Officer and whether or not to figure more in for this expense. Cost with benefits is approximately \$68,000. Contracted services with the County for dispatching was discussed.

Liquor Store Manager Chris Arnold went over a proposed budget for 2015. Mayor Michel would like to put depreciation dollars in a separate account. He would also like to see \$20,000 transferred in 2015 with \$15,000 being transferred into the City account in 2014. Arnold was asked to check on the price of an open sign for the Liquor Store. Arnold would like to put enough funds in capital outlay to put the store name on the tower of the building and lighting around the top of the outside.

Street Superintendent Bill Masterson asked that the winter help wages be raised to \$11.80 per hour. The purchase of a snow blower needs to be addressed, so asked that \$73,000 be put into the budget. A used crack sealing machine is approximately \$25,000. Discussion was held on mosquito spraying in the City. Some cities put a charge on utility bills to raise funds for this service. A used road grader is being looked into. Masterson would also like to get a tractor & mower for his department.

Airport budget - A fuel station was discussed. This would be a 90-10 payment if the City were to put it in. Clerk added on \$10,000 for the hanger Site Prep which is on the CIP schedule.

Park budget – Outside showers on the beach house were discussed but not decided upon. The Park Board is looking into costs for a fishing pier, upgrading the bathrooms and fixing the roads.

City Hall – The DAC has been working with the Mayor and Clerk about a cleaning contract for City Hall and the Library. Floor mats are needed at the library to put under the area chairs by the computers. Discussion held on whether or not to put an ad in the paper on the remaining 3 lots for sale in the Kastner Addition.

Fire Dept. – Bonik reported that the present fire trucks are too new for the fire dept. to get any grants on vehicles. A new pumper truck is being looked into which would cost around \$350,000. Anderson would like to see \$10,000 put into the budget for funding towards the truck.

Motion was made by Anderson to extend the meeting by fifteen minutes. Seconded by Bonik, passed unanimously.

Being the Council feels that most business of doing the budget was accomplished they will finish working on it at the August 27th work night meeting.

Mayor Michel announced that he is calling a special closed meeting to be held on August 8th at 7:30 a.m. for discussion on Real Estate matters.

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

The Bagley City Council held a Public Hearing on August 6, 2014 at 5:30 p.m. in the City Council Chambers.

RE: Unpaid Utility Bill charges.

Mayor Michel opened the Public Hearing at 5:30 p.m. He explained why the hearing was being held and what needed to be discussed.

There was no one present to speak for or against the special assessment which is being proposed. Proposed levy is for the adoption of assessments to be put on parcel #R23.029.0310 owned by Nevaeh & Associates. Assessment is for the total amount of \$42,199.69.

Mayor Michel closed the public hearing at 5:45 p.m.

Mayor opened the City Council meeting at 5:45 p.m.

Present: Mayor Sidney Michel, Council Members Jon Brovold and Dennis Merschman, and City Clerk Treasurer Colleen R. Lindgren.

Motion was made by Merschman to pass Resolution #37-14 RESOLUTION ADOPTING ASSESSMENTS FOR UNPAID CHARGES. Seconded by Brovold, passed unanimously.

Motion was made by Brovold for Councilmembers to forgo special meeting pay for this meeting. Seconded by Merschman, passed unanimously.

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

The Bagley City Council met in special session on August 8, 2014 at 7:30 a.m. in the City Council Chambers.

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

Mayor Michel closed the meeting for Real Estate Discussions.

At 7:50 a.m. the meeting was reopened.

Motion was made by Brovold to forgo any special meeting pay for this meeting. Seconded by Anderson, passed unanimously.

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

The Bagley City Council met in regular session on August 13, 2014 at 5:30 p.m. in the City Council Chambers.

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

Also present: WSN Engineer Curt Meyer, Utilities Manager Mike Jensen, Street Supt. Bill Masterson, Police Chief Larry Peterson, Fire Chief John Gerbracht, Liquor Store Manager Chris Arnold, and Ceira Jobgen.

Motion was made by Merschman to approve Council meeting minutes from July 14, 22nd, 23rd, 29th, Aug. 5th, 6th, and 8th. Seconded by Bonik, passed unanimously.

Widseth Smith Nolting Engineer Curt Meyer was present to update the Council on a large project the Public Utilities is proposing. The Preliminary Engineers report and the Environmental Report that is required by law to apply for funding and these are almost complete. They are looking at City Wide sewer, water, and piping in the City. Maps were handed out on the sewer & water lines in the city. Clay tile is being used for the sewer and cast iron for some of the water lines. There are issues that need to be looked at in the water plant study. Costs to replace water lines are approximately \$2 million and the sewer lines approximately \$2 million. Water plant would be approximately \$150,000. The City has no safety issues but just old systems. Rural Development would be the main source of funding, and other gap funding would be needed. Step one of the application is being done now. Rural Development looks at the City overall financial situation. It is a 50/50% chance of getting funded by November 2014. Estimated costs of all projects were discussed on worksheets given to the Council. The Community Facilities loan program, which is mainly for buildings, has changed to include streets to loan funds for. Meyer explained ways to pay for the whole project. Right now the City would be looking at a 2016 project. Meyer did say that a Fire Hall could be bid separately under the Community Facilities funds. Cities can also look at Garden Valley or Red Lake CoOp for co-op funds to help build buildings.

Motion was made by Brovold to approve the Parade Permit application for Sept. 26th, put in by the Bagley Jr. Sr. High School Student Council for the school homecoming parade. Seconded by Bonik, passed unanimously.

July City receipts were reviewed. \$283,531.35 was received for July.

July City budget reports were reviewed. Total expenses for July were \$155,515.74.

June and July Liquor Store reports were reviewed. Expenses for June were \$24,149.66 with \$1,572.08 for depreciation, totaling \$25,721.74. Net income for June is \$1,413.24 after a transfer of \$2,000 from the savings for misc. expense. June net profit for the Golf Course on sale was \$1,046.70. Liquor Store expenses for July is \$23,325.44 with \$1,572.08 for depreciation, totaling \$24,897.52. Net income for July is \$10,608.09. July net profit for the Golf Course on sale was \$771.67.

Motion was made by Brovold to pay the City and Liquor Store outstanding bills for July. Seconded by Merschman, passed unanimously. City = \$43,820.59 and Liquor Store = \$32,606.69.

Motion was made by Bonik to sign the Liability Coverage Waiver Form, stating the city DOES NOT WAIVE the monetary limits on municipal tort liability. Seconded by Merschman, passed unanimously.

Department reports: Liquor Store Manager Chris Arnold. July net profit is up by 9%. Wine inventory will be done this Sunday by Clerk & Manager. Staff meetings will be held after Labor Day. Golf Course on-sale will be closed after Labor Day.

Police Dept. – Chief Larry Peterson. Activity report for July was handed out. Peterson asked permission to attend training in Fergus Falls put on by the League of MN Cities on Sept. 29 & 30. Cost is \$30 for registration. Motion was made by Brovold to allow Peterson to attend the training in Fergus Falls. Seconded by Bonik, passed unanimously. Hand out on the pros & cons of having a four man department was given to the Council. Peterson explained some of the services between the City and the County.

Fire Dept. – Chief John Gerbracht. Airport house burn will be August 23rd at 9 a.m. with training. A grant has been applied for from the MN Dept. of Natural Resources to purchase equipment at a 50/50 match. The 50% match of funds would come from the Firemen's Ball funds. Motion was made by Brovold to approve the grant application to the MN Dept. of Natural Resources. Seconded by Bonik, passed unanimously.

The Bagley Dept. will be hosting a Firemen's Northern Regional Meeting on Sept. 11th at the American Legion. Raffle tickets which were ordered have all sold out and more will be ordered for more prizes to be raffled off. Proceeds will go towards the truck/pumper fund.

Zoning-Bill Masterson. A new business has come into town located behind the Larson Lumber location. Dub's Diesel & repair has opened and will have an access road off of McDougal Street. Calcium chloride has been put on the McDougal Street.

Dog Pound – One proposal for fencing at the pound was gotten. \$3,000 had been put into the 2014 budget for this project. Motion was made by Merschman to accept the proposal of YOUNG FENCE for \$3,163.00. Seconded by Bonik, passed unanimously.

Public Utilities – Manager Mike Jensen. Jensen reported on activities of his department. They will be stubbing in gas and cable to the lots in the Kastner Addition soon.

Street Dept. – Superintendent Bill Masterson. Prices on street signs are being gotten and more information will be given at the next meeting. Masterson would like to extend some asphalt in front of the salt shed to keep water from flowing into the building. Cost to be approximately \$3,000. Merschman asked about extending the eaves and gutters on the building to help with the water. Masterson will get prices on these for the next meeting. Motion was made by Brovold to take the \$3,000 out of the 2013 R&B Infrastructure restricted funds to pay for the asphalt. Seconded by Merschman, passed unanimously.

City Hall – Clerk Treasurer Colleen Lindgren. Three thank you cards were read: Michel/Palmer family, the All School Reunion Committee, and the Art in the Park Committee. Motion was made by Bonik to approve paying for Notary fees for both Lindgren and Jacob. Seconded by Brovold, passed unanimously.

Clerk informed the Council that the City Cemetery books and disks are in need of updating. They were originally done by the Cemetery Updating Service over 15 years ago. Cost to update the books and disks would be \$3,850 or on an hourly rate not to exceed the \$3850. Motion was made by Bonik to hire Cemetery Updating Service at an hourly rate not to

exceed \$3,850 and to use Cemetery Improvement Restricted funds. Seconded by Merschman, passed unanimously. Clerk and Mayor have been working with the DAC on the cleaning of City Hall and the new Library building. DAC has asked the Mayor about using the two empty rooms at the new library for the sale of used books and novelties. LARL was contacted and it is felt that it would be a conflict with the present library.

Motion was made by Merschman to approve the 16th draw request for the Bagley Small Cities Grant Project in the amount of \$14,829.79. Seconded by Bonik, passed unanimously.

A letter has been received from DEED concerning the results of the SCDP Monitoring Visit. No negative findings were found when auditing the Small Cities Grant Program paper work.

Motion was made by Brovold to approve payment of the 2015 dues to the Coalition of Greater MN Cities in the amount of \$3,164. Seconded by Merschman, passed unanimously.

Motion was made by Bonik to pass Resolution #38-14 ACCEPTANCE OF DONATIONS. Seconded by Merschman, passed unanimously.

Motion was made by Bonik to pass Resolution #39-14 ACCEPTANCE OF DONATION. Seconded by Merschman, passed unanimously.

Motion was made by Bonik to pass Resolution #40-14 A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF BAGLEY, MINNESOTA APPROVING THE SALE OF CITY-OWNED REAL PROPERTY IN BAGLEY, MINNESOTA, AND DISPENSING WITH REVIEW OF THE SALE BY THE BAGLEY PLANNING COMMISSION. Seconded by Merschman, passed unanimously.

Motion was made by Bonik to pass Resolution #41-14 AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT OF TRANSPORTATION GRANT AGREEMENT FOR AIRPORT IMPROVEMENT EXCLUDING LAND ACQUISITION. Seconded by Merschman, passed unanimously.

Motion was made by Bonik to pass Resolution #42-14 A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF BAGLEY, MINNESOTA APPROVING THE SALE OF CITY OWNED REAL PROPERTY IN BAGLEY, MINNESOTA, AND DISPENSING WITH REVIEW OF THE SALE BY THE BAGLEY PLANNING COMMISSION. Seconded by Merschman, passed unanimously.

Council Members agreed that the Council meeting set for August 19th is not needed to work on the City budget. Meeting cancelled.

Further business – Another offer for the old Library Building has been received. Vice-Mayor Anderson called for a closed session on Monday August 18th at 7:30 a.m. for Real Estate Discussion.

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

The Bagley City Council met in special session on August 18, 2014 at 7:30 a.m. in the City Council Chambers.

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

Mayor Michel opened the meeting at 7:30 a.m. Meeting was called for Real Estate discussion. Mayor Michel closed the meeting at 7:35 a.m.

Mayor Michel reopened the meeting at 7:50 a.m.

Motion was made to sell the "Old Library" building, Lot 7 less the North 16 feet, Lot 8 less South four (4) feet, Block 5, Bagley to I Care Ministries for the price of \$50,250. Seconded by Brovold, passed unanimously.

Motion was made by Anderson that Councilmembers will forego any meeting payment for this special meeting. Seconded by Merschman, passed unanimously.

Motion was made by Merschman to close the special meeting at 7:55 a.m. Seconded by Brovold, passed unanimously.

The Bagley City Council met on August 27, 2014 at 5:30 p.m. in the City Council Chambers.

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

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

Motion was made by Merschman to approve minutes of the August 13th & 18th meetings as read. Seconded by Brovold, passed unanimously.

Mayor Michel called upon Leonard Stinar, who was present to speak with the Council about the deer in the City limits. He is fighting deer problems all the time and wants the Council to know how upset he is. 2009 Deer Survey was reviewed where only 17 City residents responded. Mayor suggested that the survey be done again. He will keep in contact with Stinar on what is planned to be done.

Stinar also would like to see something done when people mow their grass and put all the clippings in the street as they mow.

Liquor Store Manager Arnold asked permission to attend the MN Municipal Beverage Asso. Regional meeting in Thief River Falls on Sept. 10th. Cost is \$15 per person, along with mileage for one vehicle. Motion was made by Anderson to approve sending up to three (3) employees to the MMBA meeting. Seconded by Brovold, passed unanimously.

Motion was made by Brovold to appoint Clerk Lindgren as the trustee for the City of Bagley 457b Deferred Compensation Plan. Seconded by Anderson, passed unanimously.

A contract for Grant Writing Services was reviewed. This contract would be with Widseth Smith Nolting for the writing of the USDA, SCDP and PFA grants for a sewer & water project the Public Utilities is planning for 2016-2017. Contract total for WSN Labor & expenses is \$7,800. Motion to approve was made by Merschman. Seconded by Bonik, passed unanimously.

Clerk Lindgren had been contacted by DOT about the 2019 Street Project with they propose to do. Question is if the City is planning on using the decorative lighting along 92 or if they plan on putting up regular street lights. Clerk was instructed to call DOT to get a price on what street lights would cost to do along 92 and bring back the information to the Council. There are also rumbles in DOT that the project may be pushed up to 2017 and so Lindgren was asked if the City and Public Utilities would have funds in place by then.

2015 Budget discussion. City Hall: Clerk stated that \$10,000 was put in the legal & accounting for updating ordinances. Merschman asked to table the ordinance updating until the big rebuilding project is taken care of. An election booth for \$1,000 was put under the election budget. Members agreed to drop the \$2,000 from the Flower budget and \$5,000

from the Historical structure repair. Brovold wants to see a plan before putting more funds into the historical structure repairs. Councilmembers agreed accept for Anderson who abstained. City Hall budget proposed total will be \$235,253.

Proposed Fire Dept. budget will be \$64,427. This budget is billed to the townships that the City contracts with for fire protection.

Police Dept.: \$1,000 was dropped from the supplies & materials. Proposed budget is \$310,796.

Roads & Bridges proposed budget is \$345,895.

Park & Recreation - \$2,500 was dropped in the repairs & maintenance for a proposed budget of \$45,004.

Cemetery proposed budget to be \$3,800. \$3,000 will be used from the restricted funds to gravel the roads in the cemetery.

Animal Pound - \$500 dropped from the utilities with a proposed budget of \$14,480.

Zoning proposed budget was set at \$6,906.

Community Service proposed budget was set at \$2,400.

Economic Development: \$1,000 was put in for the upkeep of the City Web page. \$6,000 is for the BIDC transfer and \$27,000 was put into infrastructure projects for a total proposed budget of \$35,500.

Airport proposed budget was set at \$21,075.

Capital Outlay: Roads & Bridges. A lease agreement will be looked into for a snow blower instead of budgeting for the whole machine at once. Lease to be \$15,000 instead of the proposed \$73,000. Mower/tractor was lowered from \$15,000 to \$5,000 and a used crack sealing machine from \$25,000 to \$10,000. Police Dept. will be left at \$11,300: car \$9,000, radar unit \$1,500 and computers \$800. Fire Dept.: Building emergency exit \$2,500, fire truck account \$10,000 and truck LD lights \$1,500. \$11,500 of this capital outlay will be put onto the township fire contract amounts. Park & Recreation: \$20,000 will be put in for updating the bathrooms, roads and fishing pier funds. Airport: \$20,000 for crack sealing. City Hall: All capital expenses were dropped due to the fact these funds could come out of the sale of the old library. Dog pound: \$10,000 was put in for a new vehicle for the pound master.

Clerk will figure in all the numbers discussed and bring back to the Council for Sept.9th Council meeting.

Mayor set a closed meeting for September 9th after the regular City Council Meeting which begins at 5:30 p.m. Closed meeting is for discussion on Police Department Union contract negotiations.

Councilman Merschman stated that there is a possible buyer for some property located in a TIF District. Discussion will be held with Drown & Associates to see how to proceed.

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

The Bagley City Council met in regular session on September 9, 2014 at 5:30 p.m. in the City Council Chambers.

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

Also present: Police Chief Larry Peterson, Street Supt. Bill Masterson, Utilities Manager Mike Jensen, Liquor Store Manager Chris Arnold, Ciera Jobgren, and Kraig Fontaine.

Motion was made by Merschman to accept the minutes of the August 27, 2014 Council meeting. Seconded by Brovold, passed unanimously.

Kraig Fontaine, on behalf of the BFCG Hockey Association was present to ask permission to hold a raffle to raise funds for the association. Raffle to be held on October 11 at the Bagley American Legion. Motion to approve was made by Merschman. Seconded by Brovold, passed unanimously.

City Receipts were reviewed. Total received for August was \$46,276.83.

City budget reports were reviewed. Total expenses for August were \$119,756.58.

Liquor Store budgets were reviewed. Total net profit year to date for the liquor at the golf course is \$1,069.82. Gross profit for the liquor store for August was \$31,148.58 with a net profit of \$13,025.16 after expenses.

Motion was made by Brovold to pay the outstanding August bills for the City and the Liquor Store. City bills are totaled at \$32,899.87 and Liquor bills at \$67,421.64. Seconded by Anderson, passed unanimously.

Motion was made by Anderson to approve payment of the Small Cities Grant project bills in the amount of \$22,547. Seconded by Bonik, passed unanimously.

Partial payment request was received from Northern Contracting, Inc on the airport project for the amount of \$26,394. Motion to approve payment was made by Merschman. Seconded by Brovold, passed unanimously.

Department reports: Fire Dept. – Bagley Fire Dept. will host a regional fire dept. meeting on Sept. 11th in the American Legion Auditorium.

Police Dept. – Chief Peterson has met with the County Commissioners on the 6th Street issue of cars speeding. The Bus Stop has been moved to a different area. Peterson also discussed the breakdown of law enforcement in the City and County. Discussed with the County Commissioners were the contracted services, record keeping and call outs by his department and County Officers.

Liquor Store-Manager Chris Arnold. Arnold, Netland and Edevold will be attending a conference in Thief River Falls on Sept. 10th. Arnold asked permission to attend a trade show in Minneapolis on Sept 18-19th and be reimbursed for mileage. Room will be provided by one of the vendors. Motion to allow Arnold to attend pay mileage was made by Anderson. Seconded by Brovold, passed unanimously. Clerk will put ad in paper and on the City web page for call-in help at the store.

Park Dept: Mayor asked that the disc golf map get put on the City web site.

Zoning: a few small projects have been started in the City.

Public Utilities Manager Mike Jensen. Still working on utilities in the Kastner Addition. Wiring has been worked on for the Cornerstone Nursing Home. Remodeling is being done in the water plant.

Roads & Bridges- Superintendent Bill Masterson. Crack sealing will be done in the City next week. Airport crack sealing should be started this week. The airport house has been burned, but the City needs to decide what to do with the basement cement. In order to just push the walls in and leave in the ground a permit would be needed from the state at a cost of \$100. It would cost \$500 to have it pushed in also. Masterson said that he does have a contractor's price of

\$1,000. To haul the material away if the city wants to go that way. Motion by Merschman to offer Darin Lindgren \$800 to haul the material away. Seconded by Bonik, passed unanimously.

Masterson asked if the Council wants to put sidewalks around the new library building yet this fall. Plans were not for the fall but if he can get the dirt work done, do that now. Patch work on 1st Street will be redone. The two street crew workers are using their personal cell phones for work. Masterson would like to see them either get reimbursed or find a plan to cover their phones. Options will be looked into and brought back to the Council.

City Hall-Clerk Treasurer Colleen Lindgren. Lindgren was contacted on the sale of a building located in the City wondering if the City Council was interested. Members agreed not at this time. Roy Abraham Const. has put in the billing for the Police Dept. Handicapped ramp in the amount of \$16,417.26. Original bid did not include door and extra railing. Motion was made by Anderson to approve payment by using the \$8,000 out of the Police Designated funds, \$5,250 from the Economic Development funds. Resolution #45-14 will be transfer the designated funds into the Police Dept. Capital Outlay for this project. Clerk reported that she has gotten all the paperwork for the sale of the old library building from Attorney Hood.

Discussion was held on proposed 2015 city budget. Clerk put in all the revisions which the Council requested. Proposed levy at this time would be 5.27% over last year. According to a survey of the cities in the region levies are ranging from 12% to 0% increases. More revisions may be needed due to union negotiations. New Law states that the proposed levy does not need to be to the County Auditor until Sept. 30th.

League of MN Cities 2014 Regional meeting will held around the state. Closet one to Bagley is on October 28th in Thief River Falls. Cost is \$40 per person. Mayor Michel, Councilman Merschman and Clerk Lindgren would like to attend. Motion was made by Anderson to send up to five (5) to the meeting. Seconded by Brovold, passed unanimously.

Mayor Michel closed the meeting at this time (6:40 p.m.) to discuss Police Dept. Union Negotiations.

Council meeting was reopened at 7:10 p.m.

Clerk was asked to do more figuring on the budgets and bring back to the Council at the Sept. 24th Council meeting.

Clerk was asked to check with the State to see if the Council meeting can begin at 5:30 as usual and then the Truth in Taxation meeting at 6 p.m.

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

The Bagley City Council met on September 17, 2014 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 Clerk Treasurer Colleen R. Lindgren.

Also present was Carlos and Melanie Mendez.

The Mendez's were present to inquire about renting the two available rooms at the Public Library. Merschman stated that the rooms are available to lease. Suggested monthly amount is \$350 plus they would be asked to help with the janitorial services. Merschman would like to see a one year lease to see how it goes for the first year. Discussion was held on what would need to be done in the area of janitorial services. Signage would be allowed for their business. Motion was made by Merschman to approve the renting of the two rooms at the Public Library to Carlos & Melanie

Mendez, 1 year lease, for \$350 plus janitorial services. Seconded by Anderson, passed unanimously. Suggestion was for the Clerk to give the Community Room schedule to the Police Dept. so they can check doors after events.

Council reviewed the proposed Community Room Guidelines and Contract. After revisions, motion was made by Merschman to approve the Guidelines and Contract for the Bagley Community Room. Seconded by Bonik, passed unanimously.

6:10 p.m. Mayor Michel closed the meeting for Realty discussion.

Meeting was reopened at 6:40 p.m.

Discussion was held on the proposed easement for Enbridge Pipeline. Clerk reported that she has not received any paper work from State Aeronautics. Maps were handed out by the Mayor, which he explained the route of the pipeline proposal.

Discussion was held on the Police Dept. Union contract. A counter offer will be sent to the union.

Discussion was held on Revolving Loan Funds for Nevaeh and Duane Lewis.

Discussion held on TIF Districts and DEED Program and how funding could be gotten through both.

Being there was no further business to be heard before the Board; motion to adjourn was made by Merschman. Seconded by Bonik, passed unanimously.

The Bagley City Council met on September 24, 2014 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, City Clerk Treasurer Colleen Lindgren, and Deputy Clerk Faye Jacobs.

Also present were Police Chief Larry Peterson, Street Superintendent Bill Masterson, and Pound Master Dany Ekre and wife Sue.

Masterson brought before the Council 3 quotes for a snow blower. Titan Machinery Inc. -\$79,825; MacQueen Equipment, Inc. - \$108,217; Crysteel Truck - \$82,695. Motion was made by Anderson to approve the purchase of a snow blower from Titan Machinery for \$79,825. Seconded by Bonik, passed unanimously.

Pound Master Dany Ekre was present to speak with the Council on the costs of the animal pound. Presently owners of impounded animals are charged \$11.00 plus tax daily for impounded animals. He would like to see the amount increased to at least \$25.00 per day due to costs of boarding an animal along with feeding it. Motion was made by Anderson to make an amendment to the ordinance by changing the price from \$11 per day to \$25.00 per day. Seconded by Bonik, passed unanimously.

There are a large number of impounded bicycles that Ekre would like to get removed from the Pound building. These will be removed and given to someone who will put them back together and give them to those kids that don't have a bike.

Ekre is looking for a used vehicle for a Pound vehicle and will bring information to the Council when he finds one.

Discussion was held on the proposed budget as adjusted by Councils last instructions. Total proposed income for 2015 is \$1,459,816. Proposed department budgets will be as follows: City Hall-\$235,253; Fire Dept.-\$64,427; Police Dept.-

\$316,353; Roads & Bridges-\$345,895; Park & Recreation- \$45,004; Cemetery-\$3,800; Animal Pound-\$14,480; Zoning - \$6,906; Community Service-\$2,400; Economic Development-\$28,500; Airport-\$21,075; Bonds-\$205,106; Capital Outlay-\$105,300; Other-\$47,000; and Revolving Loan Funds-\$18,317, for total expenses of \$1,459,816. Motion was made by Anderson to approve the 2015 Proposed Budget. Seconded by Bonik, passed unanimously.

Motion was made by Anderson to approve the proposed 2015 Levy in the amount of \$629,520. Seconded by Bonik, passed unanimously. This is a 6.22% raise over 2014.

Motion was made by Anderson to set the Truth in Taxation meeting for December 9th at 6 p.m. Seconded by Bonik. Passed unanimously. Motion was made by Anderson to set a continuation meeting for December 17th at 6 p.m. Seconded by Bonik, passed unanimously.

Police Chief Larry Peterson informed the Council that Clearwater County Sheriff Mike Erickson had passed away on Sept. 23rd. Peterson reviewed his monthly activity report with the Council. Motion was made by Anderson to approve advertising for an eligibility list for police officers. Seconded by Brovold, passed unanimously.

Realty discussion was held. Members feel that it is not the right time to purchase another building and there isn't any urgent need for another building at this time.

Supt. Masterson informed the Council that someone wants to purchase a parcel of City property on the south end of town to expand his property. Stipulations would need to be put on the property due to it being close to the City wells. Clerk was asked to check into prices of a similar sale that the City had done earlier.

Masterson reported that there have been three options put on the area where the helicopter lands by the airport. 1 – removal of the rock wall; 2 – remove the ambulance garage, cut down a big tree and remove just a small area of the rock wall; 3 – build up the parking lot by two feet. No firm decision has been made yet on what to do.

Airport meeting will be held on Oct. 13th. Will be posted as a Council meeting.

Clerk reported that people still want to use the present Council Chambers for meetings. Members want to keep the Council Chambers to be used for City Official meetings only. Clerk stated that there is a present rental policy for the use of the Council Chambers. Mayor stated that he has had people call him about using the community room and do not think they should be charged for it. Motion was made by Bonik to cancel the BAGLEY MUNICIPAL BUILDING MEETING ROOM RENTAL POLICY which was put into effect on November 15, 1988. Seconded by Anderson, passed unanimously.

Motion was made by Brovold to have the Mayor and Clerk sign Resolution #47-14 A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF BAGLEY, MINNESOTA, APPROVING THE SALE OF REAL PROPERTY IN BAGLEY, MN, AND DISPENSING WITH REVIEW OF THE SALE BY THE BAGLEY PLANNING COMMISSION. Seconded by Merschman, passed unanimously. Discussion was held on what to do with the material in the basement vault of the old library and the remodeling of the back rooms of city hall. Bids will be gotten for the remodeling. Clerk will check into getting different doors on her office also.

Oct. 2nd there will be a Housing meeting held in Bemidji by the MN NWM & USDA is putting on. Motion was made by Brovold to send up to 4 people. Seconded by Merschman, passed unanimously.

League of MN Regional Meeting will be held on October 28th in Thief River Falls. Mayor, Merschman and Clerk will be attending.

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

The Bagley City Council met in special session on October 9, 2014 at 7:30 a.m. in the City Council Chambers.

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

A Public Hearing is needed for the planning of a water system improvement for the Public Utilities Dept. Motion was made by Merschman to hold a Public Hearing on October 27, 2014 at 5:30 p.m. in the City Council Chambers. Seconded by Brovold, passed unanimously.

Discussion was held on a number of street repairs which the Street Supt. would like to see done yet this year. Motion was made by Brovold to transfer the remaining 2013 Infrastructure restricted funds into the 2014 R&B Infrastructure budget by Resolution #47-14 RESTRICTED FUND TRANSFER. Seconded by Anderson, passed unanimously.

Motion was made by Anderson for Councilmembers not to be paid the special meeting stipend for this meeting. Seconded by Brovold, passed unanimously.

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

The Bagley City Council met in special session on October 16, 2014 at 5:30 p.m. in the City Council Chambers.

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

Also present was Police Chief Larry Peterson.

Mayor Michel closed the meeting for discussion on employment issues.

Meeting was reopened at 6:20 p.m. by Mayor Michel.

Interviews for the Police Department Officer will be set up on October 30th.

Clerk informed the Council that the meeting with the Office of Aeronautics has been rescheduled for Tuesday October 21st at 1:30 p.m., to be held at the airport.

Clerk was contacted by Diane Wagner, DigiKey, on the area which people park to catch a bus to TRF to work at DigiKey. She is concerned about lighting and the plowing of snow this winter. Clerk will work with her on this matter.

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 regular session on October 22, 2014 at 5:30 p.m. in the City Council Chambers.

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

Also present was Police Chief Larry Peterson.

Discussion was held on the trailer house located in the Kastner Addition. Clerk reported on the dollar amounts due on the taxes and specials put on the property. County Auditor has stated that the property went up for forfeiture on

September 30th. Family has one year to pay the taxes and specials before it goes back on tax non-payment to the County. Clerk will check into past minutes on what was to be done with the old trailer on the property, as in past agreements with the property. Responsibility of removal of the trailer house is the Counties.

Discussion was held on a Public Hearing which the Zoning Commission held on October 21st. Motion was made by Merschman to approve the Conditional Use Permit of Angela Edelman. Seconded by Brovold, passed unanimously.

Condemnation of Buildings – Clerk has gotten a number of sample ordinances on the process. The Cities that do have such ordinances say that it is a very long process to get a building condemned. Clerk will keep working on this project. Members asked if DEED may not have some funds to help with the process.

Jake Brake ordinance – Information was gotten from Attorney Chris Hood on this project. He suggested speaking with Attorney Moline, who stated that he has not worked on one of these but would like to see it be a misdemeanor for violating the ordinance. Brovold would like to see signs on each end of town. Members were asked to look over the sample ordinance and discuss it more at the November meeting.

Purchasing cell phones for City Hall and the Street Dept. crew was discussed. Employees on the Street crew presently use their own cell phones if they need one. Clerk checked with Verizon, who presently have the phone service for the Police Dept. Shared minutes between all phones (6) would be 2,400. Cost would be \$30.38 per line, phones would be free. The Police Dept. lines would need to be adjusted to a higher plan if we add more phones. Members suggested that the workers be offered \$10 per month towards their cell phone bill. Clerk was asked to check on how much is spent per month on calling cell phones per the city land lines.

Notice of Mortgage Foreclosure Sale of Nevaeh & Associates, Garden Place, has been received. City is listed due to a Revolving Loan Fund loaned to Nevaeh & Associates. Foreclosure sale will be held on November 18, 2014 at 10 a.m. at the Clearwater County Sheriff's office.

Clerk was contacted by someone who wants to purchase cemetery lots that are not being used in the City Cemetery. There is a State Statute on the return of lots to the city. Clerk asked permission to contact the City Attorney on this project and bring information back to the Council.

Small Cities Grant – HRDC has said that they would be willing to help the City with another housing grant but the City already plans on applying for a grant under the Small Cities Program for the sewer & water project. Mayor asked the Clerk to check in with them to see if there are funds to get rid of old buildings and homes.

Police Chief brought before the Council a resignation letter from Officer Shane Powell, effective November 4, 2014. Powell would be willing to help out part-time for a period of time. Motion was made by Merschman to accept the resignation of Officer Powell and to keep him on part-time as needed. Seconded by Anderson, passed unanimously.

28 applications have been received and interviews will be done on October 30th.

Clerk reported that the airport project is completely done. We are getting responses to the question on whether pilots would purchase fuel at the airport if we had it and if anyone would rent a hanger bay if we were to have one available. Dept. of Aeronautics will work on the easements for Enbridge.

Ownership of the Stone Wall by the hospital will be looked into further. It has been heard that Sanford needs more room to land their helicopter at the hospital.

Safe Routes to School meeting will be held in Bemidji on October 23rd at 10 a.m. in the HRDC Office. Merschman and Lindgren will attend.

League of MN Cities Regional meeting will be held in Thief River Falls on Tuesday October 28th beginning at 1 p.m. Mayor Michel, Merschman and Lindgren will be attending.

Mayor asked Council Members to start thinking about things they might want to cut out of the 2015 Budget. The Airport CIP must be done by November 15th.

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 regular session on November 12, 2014 at 5:30 p.m. in the City Council Chambers.

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

Also present: Street Supt. Bill Masterson, Police Chief Larry Peterson, Utilities Manager Mike Jensen, Liquor Store Manager Chris Arnold, Mike Karvakko and Selina Gilbertson from Karvakko Engineering, and Park & Rec Board Chairman Doug Lindgren.

Motion was made by Merschman to approve the minutes of October 14, 16 & 22nd as written. Seconded by Anderson, passed unanimously.

Mike Karvakko, Karvakko Engineering, reviewed the proposed Capital Improvement Plan for the City Airport, for the next five years. For the next two years most projects would be cost shared at 90/10. Items can be put on the proposed CIP, but do not bind the City to do the projects. Mayor Michel questioned the percentage rate on the fencing part of the project. Karvakko will check into that further. Motion was made by Merschman to accept the CIP as proposed. Seconded by Anderson, passed unanimously.

Karvakko stated that the state is unable to prove who purchased the airport property and so everything with the Enbridge Pipe Line is still on hold. Karvakko will get hold of aeronautics to work with them more on this.

Motion was made by Anderson to pass Amendment to Ordinance #116 – AN ORDINANCE FOR THE CONTROL OF DOGS AND CATS. Seconded by Merschman, passed unanimously.

Motion was made by Brovold to pass Ordinance #174-AN ORDINANCE AMENDING CHAPTER 70 OF CITY CODE RELATING TO TRAFFIC RULES. Seconded by Merschman, passed unanimously.

City Receipts for the month of October were \$158,289.61.

City Budget reports for October were reviewed. Total expenses for October were \$133,925.15.

Liquor Store Budget reports were reviewed. To date total net profit for liquor at the golf course is \$1,133.93.

To date total gross profit for the liquor store is \$248,221.90. Net income for the month of October is (\$6,355.09), due to the interest payment on the store building loan of \$9,764.52.

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

Motion was made by Brovold to approve the payment request of Northern Contracting, Inc. for the Airport Access Road and Parking Lot in the amount of \$91,787.90. Seconded by Merschman, passed unanimously.

Motion was made by Brovold to approve the payment request of Farhner Asphalt Sealers in the amount of \$9,576.00 for the Airport Crack seal project. Seconded by Merschman, passed unanimously.

Motion was made by Merschman to approve the use of \$650 from the Dorothy Tjolson Memorial funds for purchasing children's books, by the Bagley Library Board. Seconded by Brovold, passed unanimously.

6:10 p.m. Councilman Chad Bonik entered the meeting.

Motion was made by Merschman to send up to 5 members of the Council to the 2015 Leadership Conference. Seconded by Brovold, passed unanimously.

Department Reports: Liquor Store Manager Chris Arnold. Arnold has located a floor jack for \$150.00 from Big North Distributing. The Wine Club will meet on November 19th and again on December 17th. Clerk was asked to break down the loan interest further and redo the monthly report and email to the Council Members.

Police Chief Larry Peterson. Activity report for the month was reviewed. Chief asked the consideration of the Council to promote Officer Zahari Karayel to Sargent. Motion to do so was made by Bonik. Seconded by Brovold, passed unanimously. After going over all the applications and doing all the necessary requirements to hire an Officer, Chief Peterson recommended hiring Renee Benson as Officer for the Police Dept. Motion was made by Anderson to approve hiring Renee Benson as a Bagley Police Officer, beginning November 17th, 2014 at the wages set by the Police Union Contract. Seconded by Bonik, passed unanimously. Peterson will also be working on the applications for another position in the Police Dept.

Fire Dept.-Bonik reported that the Firemen at looking at doing a raffle to raffle off guns to raise funds for equipment on a new pumper truck. Motion was made by Anderson to approve the Firemen's Raffle pending all paper work is received. Seconded by Brovold, passed unanimously.

Park & Recreation Board – Chairman Doug Lindgren. The Board is working on finding funds for a fishing pier for Lake Lomond. The DNR has a program but the City will need some matching funds as it looks better in an application if there are designated funds for this project. The Park Board asked that the Council transfer \$5,000 from the park restricted funds into the fishing pier restricted fund. Motion was made by Merschman to transfer the funds from the park restricted funds to the fishing pier fund. Resolution #51-14 RESTRICTED FUND TRANSFER. Seconded by Bonik, passed unanimously.

Roads & Bridges – Bill Masterson, Street Superintendent. Masterson will be contacting the DOT on the signs for the Noise Ordinance. One of the trucks is broken down; parts will cost approximately \$1,000 and then labor to repair by Dubs Diesel which will cost around \$1,200. New snow blower should be received within two weeks.

Public Utilities – Manager Mike Jenson. Jenson gave a report on the activities of his department.

City Hall – Colleen Lindgren, Clerk Treasurer. Report was given on cell phone usage. Clerk will be attending the Foreclosure sale of the Garden Place on November 18th and the Bankruptcy Court on November 21st. Clerk checked on the possibility of moving the Council meetings to Wednesday nights instead of Tuesday. Council just has to make this change when they set their meeting dates for the next year. A resolution would be needed. The City Hall Building light needs repairs. Clerk will work on getting this repaired.

Motion was made by Anderson to approve the ART DISPLAY AT CITY LIBRARY COMMUNITY CENTER as written. Seconded by Merschman, passed unanimously.

Motion was made by Anderson to pay the Small Cites Grant project requests in the amount of \$32,212. Seconded by Merschman, passed unanimously.

Clerk reviewed a letter concerning fuel or hanger bay availability at the airport. There are a number of pilots that have said they would be interested in purchasing airplane fuel if it was available.

Motion was made by Brovold to approve passage of Resolution #50-14 RESTRICTED FUND TRANSER. Seconded by Bonik, passed unanimously.

Motion was made by Brovold to approve passage of Resolution #52-14 RESTRICTED FUND TRANSER. Seconded by Anderson, passed unanimously.

Discussion was held on a letter received from Miller McDonald Auditors on their quote to do the 2014 Audits for the City/Public Utilities/Liquor Store. Cost has increased by 15% over last year. Members talked about getting a bid for next year, in the spring. Motion was made by Merschman to approve the letter of understanding with Miller McDonald, to prepare the 2014 Audits. Seconded by Anderson, passed unanimously.

Motion was made by Brovold to approve the Collective Bargaining Agreement by and between the City of Bagley Police Department and Teamsters Local 346. Seconded by Anderson, passed unanimously.

Motion was made by Anderson to change the November 26th meeting to November 25th. Seconded by Merschman, 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.

The Bagley City Council met on November 25, 2014 at 5:30 p.m. in the City Council Chambers.

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

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

Motion was made by Merschman to approve the minutes of November 12, 2014. Seconded by Anderson, passed unanimously.

Bill Masterson, Street Superintendent reported on the signs for the Noise Ordinance. Price to get signs through MNDOT is \$756 per sign and put them up. For the City to do it the cost would be approximately \$100 per sign but we would need to wait until spring and DOT would need to pick the spot that the signs would be located at. Motion was made by Brovold to have Masterson order the signs and put them up in the spring. Seconded by Merschman, passed unanimously.

Chris Arnold has asked if he could carry forward some of his vacation time due to having a number of days left that he needs to use in December and some that were earned due to reaching 10 years of work status. Merschman asked if the City could pay out Arnold for the vacation time he earned for reaching the ten year status. Clerk will check into this with the League of MN Cites. Matter will be discussed further at the December Council meeting.

Police Chief Peterson asked permission to attend a training session in Bemidji on February 12, 2015 for a cost of \$49. Motion was made by Merschman to send Peterson to the training requested. Seconded by Anderson, passed unanimously.

Chief Peterson would like to hire Scott Lockawitzer for the 4th Police Officer position beginning December 16th. Motion was made by Anderson to approve the hiring of Scott Lockawitzer beginning December 16th, pending all paperwork is completed satisfactorily. Seconded by Merschman, passed unanimously.

Chief Peterson asked permission for Sargent Karayel to become a member of a Swat Team Task Force. Training is being held in Fergus Falls. Karayel said that he would pay for the initial training. Task Force is funded through the Dept. of Justice. Further training is done in Bemidji and work would be scheduled around it. Motion was made by Brovold to approve expenses for Karayel to take the training needed to be on the Swat Team Task Force. Seconded by Anderson, passed unanimously.

Motion was made by Merschman to approve the closing of City Hall on Dec. 24th at 2 p.m. Seconded by Brovold, passed unanimously.

Discussion was held on the Experienced Officials: 2015 Leadership Conference being held in Brooklyn Center on January 30-31, 2015. Cost is \$225 per person plus room and board. Will be tabled until the December Council meeting.

There will be a meeting held on December 3rd, 4 p.m. to 7 p.m. in Clearbrook concerning the Enbridge Pipeline. Council is invited to attend.

Discussion was held on a Resolution which Enbridge would like the Council to pass in support of their project. Brovold stated that he would have a hard time passing a resolution without the tax payers being able to hear about the project. Anderson agreed. Clerk was asked to set up a meeting with Enbridge, preferably in January 2015. Resolution was tabled at this time.

Motion was made by Anderson to pass Resolution #53-14 RESTRICTED FUND TRANSFER. Seconded by Merschman, passed unanimously.

The Library Foundation will be holding an open house at the new library and community room on December 6th at 10 a.m. to 2 p.m. Council is invited to attend.

Discussion was held on the 2015 City Budget. Merschman asked if we need to have all the funds in the sidewalk repair due to DOT redoing sidewalks in 2017. Masterson feels it is still needed. Suggested changes are: drop \$5,000 from the sidewalk construction, drop \$10,000 from the Economic Development Infrastructure and drop \$10,000 from the crack sealing machine. The Police Department wages will also be recalculated due to new officers with different wage scales.

Discussion on what will be available to transfer from the Liquor Store Checking to the City for the 2014 and 2015 budgets. Will be looked into further for the December Council meeting.

Clerk handed out a letter from Dept. of Aeronautics for discussion at the December Council meeting.

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

The Bagley City Council met in regular session on December 9, 2014 at 5:30 p.m. in the City Council Chambers.

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

Also present: Police Chief Larry Peterson, Utilities Manager Mike Jensen, Liquor Store Manager Chris Arnold, Street Superintendent Bill Masterson, Laura Dropps, Malotte Backer, and Allen Potvin.

Motion was made by Merschman to approve the minutes of the November 25, 2014 City Council meeting. Seconded by Brovold, passed unanimously.

Malotte Backer was present to speak with the Council on an Arts Grant she is applying for to be able to put art displays in the Bagley Community Hall next to the library. Backer handed out an agreement for artists to sign in order to demonstrate their art at the Bagley Community Building. The grant will be for an art case, wall hanging system and purchased art for the Community room. A quote was received from Duane Shoop to build the art case. Grant will be for approximately \$4,000. Match needed is \$1,000. The Library Foundation has committed \$600, so Backer asked the Council for their commitment of \$500 towards the grant project. Motion was made by Brovold to commit up to \$500 towards the Region II Arts Grant project. Seconded by Bonik, passed unanimously. Grant is due in by December 15, 2014.

Laura Dropps was present to update the Council on the City Web page and what she has been doing on it. She has put in 55 hours on the web page this year. There were 8,286 visitors in September, 8,424 in October and 6,752 visitors in November. Mayor asked that the Zoning information be put somewhere easier to see on the site. Members feel that the site is going over well.

(5:45 p.m. Councilman Anderson entered the meeting.)

Masterson would like to see an area where residents could see Street Dept. and where to go with complaints and concerns. Dropps will work on this. Clerk suggested putting the Pot Hole Policy and Plowing Policy on the site also. It has been put in the 2015 budget to have Dropps administer the City Web site.

Total receipts for the month of November were \$4,969.73.

City budget reports were reviewed. Total city expenses for November were \$236,666.02.

Liquor Store November budget reports were reviewed. Gross Profit for November is \$24,903.37. Expenses were \$22,458.28, depreciation \$1,572.08, for a total of \$24,903.37. This left a net income of \$873.01 for November.

Motion was made by Merschman to approve payment of the outstanding liquor store bills of \$40,473.16 and the City bills in the amount of \$16,534.34. Seconded by Bonik, passed unanimously.

Department Reports: Police Chief Larry Peterson. Monthly activity report was reviewed. New Officer will begin when the final tests are done.

Zoning: Bill Masterson. Gesell Concrete Buildings are being tore down. A couple complaints on yards have come in.

Park & Recreation: No meeting will be held in December. Terms of Jackie Merschman and Doug Lindgren are up the end of December. John Sutherland will be on the Council in January 2015 so his position may also be open.

Liquor Store: Manager Chris Arnold. Arnold reported that the doors at the Liquor Store are still not working correctly. Clerk Lindgren was asked to check with Widseth Smith Nolting on what, if anything, they are going to do to repair them.

Public Utilities: Mike Jenson, Manager. Jenson gave an update on what his department is doing.

Street Department: Bill Masterson, Superintendent. Aeronautics did an inspection at the airport and more trees need to come down.

The Airport CIP has been remitted to State Aeronautics.

A letter has been received from Mike Karvako on the easements for the City airport and Enbridge. More discussion will be held on the project.

A bid has been received from Analytical & Consulting, LLC (AC) to do the Wellhead Protection Plan update for 2015, in the amount of \$4,000. \$3,000 had been put into the budget for this project. Lindgren recommended that the Council accept this bid as this company has set up the original Well Head Protection plan as required by the MN Dept. of Health. Merschman asked if this was a competitive quote. Lindgren stated that the Dept. of Health recommended going with the same company due to they have all the city information already. Motion was made by Anderson to approve the quote of Analytical & Consulting for the amount of \$4,000 to do the update on the Well Head protection plan. Seconded by Bonik. For: Anderson, Bonik, Michel, and Brovold. Against: Merschman. Motion carried.

Motion was made by Brovold to approve transferring \$20,000 from the 2014 Liquor Store funds to the City Checking account. Seconded by Bonik, passed unanimously. These funds are to be used to help balance out the overall 2014 budget for the City of Bagley.

Two quotes for the remodeling of the back room of the City Hall were reviewed. Clerk pointed out some of the differences between the two bids. Quote from Rosewood Construction is in the amount of \$18,406. The 2nd quote was from Mike Meyers in the amount of \$7,338 with a quote proposal from Ramsrud Painting & Drywall in the amount of \$2,950. Merschman asked if the cost would be split between the City and Public Utilities or if it would be paid for by the funds from selling the old Library Building. Motion was made by Merschman to approve the quote of Meyers & Ramsrud. Seconded by Bonik, passed unanimously.

Motion was made by Anderson to approve the 2014 Liquor License for Great Northern Bar & Grill, Bagley Bowl Inn and Main Street Tavern. Seconded by Bonik, passed unanimously.

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

Motion was made by Anderson to approve the 2014 Sunday liquor License for the Bagley American Legion, Main Street Tavern, and Bagley Bowl Inn. Seconded by Bonik, passed unanimously.

Motion was made by Anderson to approve the 2014 Dance permit for the Bagley American Legion. Seconded by Bonik, passed unanimously.

A report was received on the Small Cities Grant Program. There is approximately \$2,000 left to be spent.

The Experienced Officials: 2015 Leadership Conference will be held in Brooklyn Center Jan. 30-31, 2015. Brovold, Anderson, Bonik & Merschman are unable to attend. Clerk will check with member John Sutherland.

Motion was made by Anderson to approve Resolution #54-14 PERA POLICE OFFICER DECLARATION. Seconded by Brovold, passed unanimously.

Motion was made by Anderson to approve Resolution #55-14 DESIGNATED FUND TRANSFER.

Seconded by Bonik, passed unanimously.

Motion was made by Merschman to approve Resolution #56-14 A RESOLUTION FOR THE CITY OF BAGLEY TO AGREE TO OPERATE AND MAINTAIN A TRAIL FOR A TRANSPORTATION ENHANCEMENT PROJECT WITHIN THE CITY OF BAGLEY. Seconded by Brovold, passed unanimously.

Discussion was held on Resolution #57-14 APPROVING TAX INCREMENT DEVELOPMENT AGREEMENT. Clerk has contacted David Drown, of Drown & Associates to check on the status of the TIF agreement with Allen Potvin. The Agreement has been gone over by Drown, Potvin and Attorney Chris Hood. Mr. Potvin had a number of questions and concerns on the agreement. Clerk will contact David Drown with these concerns and get another meeting set up as soon as possible. Resolution #57-14 was tabled at this time.

Discussion was held on the wages for the part-time workers for the Liquor Store. This includes Reuben Netland at \$9.50 per hr., Pete Walchuk and Earl Larson at \$9.00/hr. Anderson would like to see it retro back to Sept. Motion was made by Merschman to raise the wages for Netland, Walchuk and Larson to \$10.50/hr. retro to December 1, 2014. Seconded by Bonik, passed unanimously. Motion was made by Bonik to set the wage for all new clerks to begin at \$9.50/hr. with a review after 100 hours. Seconded by Merschman, passed unanimously.

The 2015 budget for the Liquor Store was reviewed. Arnold spoke on what he has figured in for the budget. Clerk was asked to figure in the new wages for the part-time workers, 2% increase for Arnold & Edevold and employee benefit as place holders for the budget. More discussion will be done on this at the last meeting in December.

7 p.m. Mayor Michel opened the Truth in Taxation meeting.

Clerk went over the changes which the Council asked for at the last budget meeting. \$1,000 will be added back into City Hall for the Well Head Protection Plan, \$5,000 into the insurances for each department, and \$14,741 into Economic Development for the 2017 project. Doing these changes would not raise the levy but bring it closer to the original proposed levy from September 2014. Motion was made by Bonik to approve the 2015 City Budget as follows:

City Hall \$236,500; Fire Dept. \$64,427; Police Dept. \$300,612; Roads & Bridges \$342,895; Park & Rec \$45,004; Cemetery \$4,850; Animal Pound \$15,680; Zoning \$7,209; Community Service \$2,400; Economic Development \$33,241; Airport \$21,275; Bonds \$205,106; Capital Outlay \$95,300; Other \$47,000. Seconded by Anderson, passed unanimously.

Motion was made by Bonik to certify the 2015 Levy to the County Auditor in the amount of \$609,520. Seconded by Anderson, passed unanimously.

There was no one from the public to speak with the Council on the Budgets.

Mayor Michel reported that he will be meeting with Cy Williams from Enbridge to work on the airport easements.

Vacation time for Arnold was refigured and he is to get 1 day 2 hrs. more. The League of MN Cities research dept. has said that the City has the option to pay him out for this but precedence would be set by doing so. Their recommendation is to have Arnold use it or lose it. Clerk stated that this is what is also stated in the City Policy. Arnold stated that he will work it in to take this time off.

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

The Bagley City Council met in special session on December 22, 2014 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.

Also present: Police Chief Larry Peterson, Officer Scott Lachowitzer, and Liquor Store Manager Chris Arnold.

Motion was made by Bonik to approve the 2015 Wine and Sunday licenses for DaRoos Pizza. Seconded by Brovold, passed unanimously.

Motion was made by Merschman to approve the contract between the City and Laura Dropps to do the City Web Site for 2015 for the cost of \$1,000. Seconded by Brovold, passed unanimously.

Motion was made by Merschman to approve a pay request in the amount of \$5,000 put in by Mike Meyer for work done on the remodeling of the back rooms at City Hall. Seconded by Brovold, passed unanimously. Mayor Michel asked the Council about the payment of the remodeling. Would the Council agree to pay for the project out of the sale of the old library building? Motion was made by Anderson to approve the payment of the project out of the old library sale funds. Seconded by Bonik, passed unanimously.

Clerk informed the Council that the City has received a dividend on the Property/Casualty insurance in the amount of \$13,442.

Motion was made by Merschman to approve the 2015 Pawn Broker License for Bagley Motor Sports. Seconded by Brovold, passed unanimously.

Motion was made by Merschman to set the regular City Council meetings for the 2nd and 4th Wednesday's of each month. Resolution #58-14 CHANGING OF MEETING DATES. Seconded by Brovold, passed unanimously.

Police Chief Larry Peterson introduced to the City Council the new City Police Officer, Officer Scott Lachowitzer.

Discussion was held on 2015 wages for City Employees. Clerk handed out a sheet which showed the present wages of all the City and Liquor Store employees, what a 2% increase would be and how many years they have been working for the City. Mayor Michel stated that he feels wages should start in July and go July to July to see if a cut in LGA comes in or not plus with a large sewer project coming up. Councilman Brovold disagreed because the employees are the resource that should be taken care of. There are other sources to take care of the sewer projects. If the raises are started in July he would like to see a 3% increase to make up for the loss of not getting wage increases in the first part of the year. Mayor stated that the first time he was in office the City was cut \$120,000 in LGA and right now the City is in a position that employee hours may need to get cut dramatically if LGA is cut. A goal of the City is the 2017 Sewer & Water project so funds will be needed. He would like to revisit the wages in June or July. Clerk stated that it is worse for the employees to do a retro pay with a large amount given at one time. Anderson feels this year looks pretty safe on the LGA. Merschman feels that it is very different on the Public Utilities side of the City as they have budgets doing differently than the City and they have funds coming in year round. Bonik said that it is all the City of Bagley because the City Council is over the Public Utilities. He feels they should be the same when it comes to raises. Brovold would like to see it come out whole so the employees don't get cut. Clerk stated that the Pay Equity report is due by Jan. 31st so this may also make a change. Mayor stated it will be dealt with when we hear back on the report. Motion was made by Bonik to change the pay increase time to July 1st with the change to reflect the correction from Jan. 1 to June 31st. Seconded by Anderson. For: Bonik, Anderson. Against: Brovold, Merschman. Mayor voted for the motion. Motion carried.

Discussion was held on the 2015 Liquor Store budget. Clerk gave a proposed budget to the Council. Wages include the amount given to part-times at the last meeting and a 2% increase for Arnold and Edevold, to match what is figured in the City budgets for city employees. Arnold put in an amount of \$3,500 for waxing the floors in the store. Merschman said

that another person could do the job. Arnold said that he and the Assistant Manager could do the work for cheaper. Mayor feels it should be done every two years. Brovold asked if more discussion needs to be done on employee's wages. Anderson stated that he would like to see Arnold at making approximately the amount Moen would have been getting if he was here now, up to \$20.00 per hour and Edevold at \$13.25. Bonik asked what was figured into the proposed budget for wages and Clerk stated she had figured in 2% same as the City employee wages. Mayor would like to see wages stated in July also, same as the City employees. Motion was made by Anderson to set wages for Chris Arnold at \$20.00 per hour and Robert Edevold at \$13.25 per hour beginning January 1, 2015, for all of 2015. Seconded by Brovold, passed unanimously.

Motion was made by Merschman to approve the 2015 Liquor Store budget in the amount of \$285,510.46. Seconded by Anderson, passed unanimously.

Clerk updated the Council on the TIF agreement between the City and Allen Potvin. David Drown has asked Potvin to get a better estimate of the value of his project once completed from the County assessor. A meeting will be set up after these numbers are received.

Clerk reported that she has gotten an email back from Widseth Smith Nolting Engineer Denise Koenigsberg. She is going to contact Gordon Construction to see if they followed up on the door repairs at the Liquor Store. Mayor told Manager Arnold to keep track of this to make sure it gets repaired.

A notice has been received from the US Bankruptcy Court that a dividend appears possible in the Terry & Alice Johnson/Nevaeh & Associates legal case.

Mayor Michel thanked David G. Anderson for his 8 years of serving on the City Council. Anderson has sat on many committees over the years. He also thanked the other Council Members for their help over the year along with Clerk Lindgren, Chief Peterson, Manger Arnold and all the other city employees. Anderson welcomed anyone to stop and "pick his brain" if so needed.

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