

## City of Isle Council Meeting

Regular Meeting Minutes – June 13, 2017

At 7:00 pm the regular meeting was called to order with the Pledge of Allegiance. First order of business was roll call of council members present: Robert Koelfgen, Donald Dahlen, Bridgette Donahue, Ernie Frie, and Ginger Houle. No one was absent. Other staff present were: Jason Minenko, Mark Reichel, Shannon Schminkey, Damien Toven, David Miller, Mike Rude, David Oberfeld, Mark McCortney, Carl Nordquist (Althoff & Nordquist, LLC) and Bruce Cochran. Citizens presents: Evan Orbeck (Messenger), David Oslin (County Board) Laura and Brianna Heise, Carolyn Avaren, Penny Simonson, Carol Jacobs, John Gilbert, Shari Bixby, and Deb Walters.

The meeting began with a motion to approve the agenda by Bridgette Donahue, Ginger Houle seconded the motion. All in favor, motion carried. Next, a motion from Ginger Houle to approve the May 9<sup>th</sup> regular council meeting minutes, Bridgette Donahue seconded the motion. All in favor, motion carried. Next a motion to approve the minutes of the special meeting held May 18th by Bridgette Donahue, Ginger Houle seconded the motion. All in favor, motion carried. Last, a motion to approve the minutes of the special meeting held June 5<sup>th</sup>, by Bridgette Donahue, Ginger Houle seconded the motion. All in favor, motion carried.

Bridgette Donahue motioned to approve the June final claims totaling \$240,105.47. Ginger Houle seconded the motion, all in favor; motion carried. Ginger Houle then made a motion to approve June month to date claims, totaling \$22,218.43. Bridgette Donahue seconded the motion. All were in favor, none opposed. Motion carried.

**Open Forum:** Penny Simonson presented on the Scenic Byway project. The proposed Byways open opportunities for increased tourism and can preserve the corridors important to the communities. Penny explained they are now at an assessment phase of the project and they are gathering input from as many people as possible. Areas being discussed include Highways 169, 27 South and 47 East. The Byway steering committee expects to come back to the council in September. The committee considers ideas for improvement of scenic landscape, possible funding. The committee is in discussions with Garrison and the DNR for ideas on improvements for their wayside area and if the area agrees then they could pursue a designation. Bob Dahlen inquired if there are any thoughts regarding the Isle area. Penny mentioned a drawing for the Scenic Overlook North on highway 47. If that were designated it may have some possibilities. Bob expressed the council would be happy to explore. Bob suggested they meet after the council meeting and Penny could leave contact information.

Laura and Brianna Heise requested approval on behalf of Girl Scout Troop 771 to put up a “Free Little Library” and to confirm a location. Locations they thought were possible included the community garden, the IREC and the City Park. They explained that this would be an informal area with a small but attractive box that would house books so that both kids and adults could stop to read a book. This proposal is for their Girl Scout Bronze award project. Mayor Frie thought it would be a nice idea and offered Jason Minenko for assistance if needed. The Mayor requested they come to the next council meeting with some photos of existing little libraries.

**Public Hearings:** The Mayor acknowledged Bridgette Donahue as our new council member in reference to prior resolution 2017-05AS. Ms. Donahue replaced Terry Coe. A Resolution Amending the Annual Appointments and Designations for the City of Isle for the year 2017 was presented. RES.2017-06A was motioned by Donald Dahlen, seconded by Ginger Houle. All in favor, motion carried.

David Oberfeld presented the City of Isle General Liability renewal quote through the League of MN Cities Insurance Trust, policy period 7/12/17 to 7/12/18. Mr. Oberfeld noted some key points on building value changes recommended by LMCIT which Mr. Oberfeld and Minenko reviewed with appraisers HCA to examine how they developed values. Other items impacting premiums included the new fire hall being covered a higher cost (\$950,000) than the old fire hall (213,639) and the water tower and lift station values were of particular concern with the appraisers insisting on replacement value. The discussion with the appraiser caused them to

back off slightly on the increase. The total annual premium for the package policy through LMCIT is \$26,696.00 compared to \$24,942.00 last year. Mr. Oberfeld also reviewed the City's Work Comp Loss analysis and MOD rate which decreased from 1.80 to 1.76. There is a 3 year look back in determining the MOD rate so we expect a large claim to drop off next year and hope to see close to a \$10,000 savings in premium in the future. Worker's Comp premium for 2017 to 2018 is \$46,698 compared to \$48,618 last year. The City received a self-funded plan dividend return of \$947 last December. Purchasing members under LMCCIT must sign a Liability Coverage Waiver Form. Motion made to pass resolution to not waive Tort Liability Limits by Ginger Houle, Don Dahlen seconded, all in favor motion carried.

Discussion ensued about the liquor store liability policy not being renewed. Mr. Oberfeld handed out a quote for coverage through the league (Founders). The liquor policy expires 7/12/2017. Mark McCarthy, of IB handed out a quote from USLI. Ginger Houle requested that a paper signed with misinformation should be null and void. Damien Toven will draft a letter for a release tomorrow. Jennifer Pederson of Ebner insurance provided a full Liquor liability quote for \$7,135 total premium. After some discussion Ernie Frie suggested we table the discussion, get additional quotes and hold a special meeting to get the coverage in place.

Carl Nordquist of Allthoff and Nordquist, LLC presented his findings on the 2016 Audited Financials. Mr. Nordquist found a regulatory basis the City has represents generally acceptable accounting principles. The total Governmental balances from cash transactions is 1.8m in cash, 138,000 Cash restricted, total assets 2,033m. Revenue broken out for the state auditor fire fund has \$197,000 in contributions, net changes in fund balances plus \$52,155; Fire \$741,000 sale in bonds. There's a positive change in the proprietary funds; Water, Sewer, Liquor; 60,00, 59,00, 23,000 respectively and \$143,000 total. Proprietary funds cash flow statement net cash (used) is positive statement. Mr. Nordquist noted the PERA (retirement) fund liability sensitivity indicating that the City has a proportionate share for all plans in which it participates. The City budget to actuals was reviewed, revenue planned \$666,000 – actual \$705,000; expenses planned \$763,000 – actual \$687,000. Mr. Nordquist noted that funds should be no less than 50% of annual expenditures. Mr. Norquist thanked the City for selecting his firm. The Mayor wanted to recognize all of the department heads for their management and what they do. They are a good team. The Mayor motioned to accept the 2016 audited financials, seconded by Don Dahlen; all in favor, motion carried.

Don Dahlen presented an issue regarding an airport hangar. The hangar owner has refused to sign a lease, not indicating why and also will not pay the lease fees. The owner has a sale sign on the hangar but will not accept offers. Mr. Dahlen stated that the hangar is not a usable structure being in a state of disrepair. Damian Toven mentioned historically Wahkon township wouldn't take hazardous building action and asked if we want the airport to evict? Mr. Toven discussed litigation costs. He proposed giving notice to vacate by the end of the month or the end of July and try to resolve the issue by the end of summer. After discussion a motion was made by Bridgette Donahue to move forward with the eviction process with authorization and litigation if necessary. Seconded by Ginger Houle, all in favor, motion carried. Mr. Toven will report on the eviction the first meeting in August.

**Requests and/or Complaints: None**

**Department Reports:**

**Public Works** – Jason Minenko presented the department report for council's review. Usual monthly duties completed. Jason commented that they were able to discharge without applying alum, saving a few thousand dollars. He met with MNDOT on the main street sidewalk repair of faulty panels and mentioned that the City had a surprise visit from OSHA. We had some minor issues and we will know more when we received the determination letter including what we can contest.

**Police Department-** Chief Reichel hit some highlights of his full report in the interest of time with a full meeting agenda. Chief reported 218 incident/call reports, a handful of accidents, two assists and three alarm

calls. Chief Reichel said his department hosted a third grade class from the elementary school. The kids were shown some equipment, sat in the squads and asked some great questions. It was a lot of fun to have them here. There was a debris disturbance, Domestic, Driving and other disturbances. Chief Reichel expects a CPE Grant of \$2,270 to be presented to the City at the July or August City Council Meeting. The Chief may look for a part-time officer. Ernie Frie shared a letter of concern from a citizen regarding buying rifles and squad cars. The Chief stated that the rifles they purchase were just replacements, just two which were budgeted. He also said the 3 squads were covered through forfeiture funds. There was some discussion on trucks holding better value for future considerations.

**Liquor Store Operations-** Shannon Schminkey reported one new hire – Darian Platenberg. Shannon reported May sales of \$85,475/\$78,176 after taxes. This is down 10% from May of 2016. Expenses May 2017 are down over \$5,000 from May of 2016. Shannon requested \$600 for a band on June 17<sup>th</sup> and \$600 for a band on after the Fireman’s bike run on July 1<sup>st</sup>. Ginger Houle motioned to approve the band expenditures. Don Dahlen seconded; motion carried. Shannon has ordered supplies for the firemen’s pancake breakfast. Food Service of America will donate much of the food supplies and the Muni will cover the remaining. Shannon said we will be participating in the first annual MMBA “Support Our Troops” Supplies drive that runs from July 1<sup>st</sup> to July 31<sup>st</sup> (flyer for details). Shannon also indicated they are ready for Sunday liquor store sales to start on Sunday July 2nd from 11am to 6pm. A motion was made by Don Dahlen to authorize employment of Darian Platenerg, RES. 2107-06B, Ginger Houle seconded; all in favor, motion carried. Don Dahlen inquired how it’s been with the Farmers Market move. Shannon said the first two Saturdays were up \$800 and she will bring numbers again. Mr. Dahlen also asked that we do not book bands during Wahkon Days. Shannon said she had brought that to the council last year, and being new didn’t realize the band would be in competition with Wahkon days and she will be doing that again. Shannon mention a customer appreciate on 7/3/17 and she is planning a event between parades. Mayor Frie recommended no budget transfer from the municipal again this month. Don Dahlen motioned for no budget transfer. Ginger Houle seconded; all in favor, motion carried.

**Fire Department-**David Miller said this was their 34d annual motorcycle run/breakfast. He reported they have one bid for the old fire hall, \$2,001.50, which is not much but the building will at least be gone. Don Dahlen motioned to accept the only bid. Bob Koelfgen seconded, all in favor; motion carried. David reported on the fire hall project. Since last meeting, the sewer is still in the works, capital \$12,000 may be less – it might be \$4,800 plus materials. David requested approval to purchase appliances – a stove, refrigerator and microwave under \$2,000 and indicated later we may need a washer dryer. Ginger Houle motioned to approved appliance expenditures at a capped cost of \$3,000. Bridgette Donahue seconded. All in favor; motion carried. Liquidation of fire CD’s for construction fund reimbursement was tabled for further information, to next council meeting.

**City Engineer** – Mike Rude presented Fire Hall project payment requests; change order #3 providing receptacle for microwave, the second item - to increase contract period by 14 days from 6/21/17. They need 2 weeks more for things that were outside of their control. Expenses were discussed and discussion on penalties that could be applied. A motion was made to approve the delay, plus allowing 14 days before a penalty is enforced by Ginger Houle; second by Don Dahlen. All in favor, motion carried. A motion was made by Ginger Houle to approve change order #3 for the microwave outlet and increasing contract period by 14 days from 6/21/17. Don Dahlen seconded. All in favor, motion carried. Mike indicated that Bruce Cochran, Mille Lacs County Engineer was present and they report that Funds will need to be available July first from the City is the first \$10,000 for Engineering, and the first \$10,000 for Construction. The city has these initial payments in this year’s budget. The remainder of the bridge costs will be paid by the MnDOT funds approved in the bonding bill. There are also sewer and water lines to be relocated for the bridge project. The cost for these items has been estimated at \$110,097 and is to be funded by USDA Rural Development as part of the larger City utility project. Only two bridges were approved by the state for funding under the local bridge replacement program; the 10<sup>th</sup> Avenue Bridge in Minneapolis and the Malone Island Bridge in Isle. Engineers are working on plans with

MNDOT and with the DNR for permits and are proceeding forward full speed. They will be having workshops to discuss where we are at. Funding was approved at \$800,000 from the state for the bridge in a bonding bill for the Malone Island Bridge. The cost estimates the engineers prepared is \$713,000. Don Dahlen motioned to move forward on the Bridge Project. Bridgette Donahue seconded. All in favor; motion carried. A motion was made for Fire Hall Expense requests of \$50,205.45 by Don Dahlen. Bridgette Donahue seconded. All in favor; motion carried.

**Planning Commission Reports:** None

**Airport Committee** – Don Dahlen reviewed the minutes from the Airport commission. A car has been purchased for use as a courtesy car at the airport. Maintenance of the car is being done by the flying club. A vehicle ID form will be available in the pilot lounge to identify cars as club members. A tractor and 12 foot mowing attachment has been purchased by the flying club – the prior mower has been sold. Invoices are going out for this year’s hangar leases. Tie down anchors have been identified and have been pulled up since they were about 6 inches underground. They are planning for Isle days pancake breakfast, volunteers are welcome.

**Unfinished Business** - Don Dahlen moved to approve amended Wetland Conservation Act Resolution 2017-05BA. Bridgette Donahue seconded. All in favor; motion carried. Ginger Houle moved to approve amended Clerk/Treasurer Appointment Resolution 2017-06BS. Don Dahlen seconded. All in Favor; motion carried. A request from Robert Patterson for an adjustment to the water billing for his property at 2330 Hwy 47 was discussed. The house and been removed and the water turned off sin April 1<sup>st</sup> of 2017 and there will be no new building on the property. Mr. Patterson requests that the base water charge be reduced to reflect a non-use rate. Discussion took place regarding the City policy that abandoned/unused property is measured for one year and then water service may be shut off at the curb stop. The council confirmed that we do not have a non-use rate. Bridgette Donahue moved to deny Robert Peterson’s request to adjust his water rate. Second by Don Dahlen. One opposed, Bob Koelfgen; motion carried.

Deb Walters, of the Lions Club requested the City consider a new gambling policy. Ernie Frie said the current policy excludes any municipal employee from engaging in gambling at the municipal. Deb said the state gambling authority excludes the Mayor and the Mayor’s family form gambling and anyone who touches or sells pull tabs or meat raffles, bingo etc. but that employees in no way engaged are allowed. Deb said the City could get appropriate language right on the MN Gambling Control Board web site. A motion was made by Don Dahlen to revise our policy following the MN Gambling Control Board statute. Bridgette Donahue seconded. All in favor; motion carried.

**New Business** – Ginger Houle moved to approved the Isle Bowl & Pizza Liquor License Renewal, Bridgette Donahue seconded. All in favor; motion carried.

Mayor Frie proposed the AWAIR Safety Committee designations be updated. Council members appointed were Ginger Houle and Bob Dahlen also added were Clerk Mary Ward, PW-Supervisor Jason Liquor Manager Shannon, Police Chief Mark, Fire Chief, Dave Miller and a trainer to be assigned at a later date. Motion to approve by Bridgette Donahue. Second by Don Dahlen. All in favor; motion carried.

Donations: Ginger Houle moved to approve Resolution 2017-06-C Donations from Drifte Skippers \$500 pass through for Isle Days Activities and \$5000 for Police Dept. Equipment. Second by Bridgette Donahue. All in favor; motion carried. Ginger Houle moved to approved Resolution 2017-06-D, donation in kind from Miller Trucking for \$120.00 for the fire hall project temporary storage trailer. Don Dahlen seconded. All in favor; motion carried.

Bank signers; Ginger Houle motioned to authorize adding the signature of the new Clerk Treasurer, Mary Ward and Council member Bridgette Donahue to the City’s depositories and corporate authorizations. Seconded by Bob Koelfgen. All in favor; motion carried.

**Clerk’s Report** – None. The Mayor introduced Mary Ward, new Clerk/Treasurer.

**Closed meeting** – None

**Adjourn** – Donald Dahlen made the motion to adjourn at 9:25pm. with Ginger Houle seconding. All in Favor, motion carried.

Dated on this 13 day of June, 2017  
Approved on this 11<sup>th</sup> day of July, 2017

\_\_\_\_\_  
Ernie Frie - Mayor

ATTEST:

\_\_\_\_\_  
Mary Ward –City Clerk

<b>Motion</b>	_____		
<b>Second</b>	_____		
<b>AYE</b>			<b>NAY</b>
<input type="checkbox"/>	Ernie Frie		<input type="checkbox"/>
<input type="checkbox"/>	Ginger Houle		<input type="checkbox"/>
<input type="checkbox"/>	Bob Koelfgen		<input type="checkbox"/>
<input type="checkbox"/>	Bridgett Donahue		<input type="checkbox"/>
<input type="checkbox"/>	Donald Dahlen		<input type="checkbox"/>