

AUGUST 21, 2017

The Regular Meeting of the Lake Benton City Council was held on Monday, August 21, 2017 at 5:30 P.M. in the Heritage Center/City Office. Mayor Bob Worth presided. Trustees Rosie DeZeeuw, Mark Dunn, David Enke and Daryl Schlapkohl were present. City Attorney Mike Cable was absent. City Administrator/Clerk Eileen Christensen, Maintenance Supervisor Todd Draper, Police Chief Tony Sievert, Darcy Miller and Pam Veire-First Security Bank Insurance Agents, George Eilertson-Northland Securities, Karen Rochel, Karen Lichtsinn, Scott Christensen, and Shelly Finzen from the Lake Benton Valley Journal were also present.

Mayor Bob Worth called the meeting to order. The Pledge of Allegiance was recited by all present.

Mayor Bob Worth then asked if anyone in attendance had an item, not on the agenda, to bring up during the Open Forum part of the meeting. If so they had two minutes to state their concern. Karen Lichtsinn addressed the Council on behalf of the Lake Benton Chamber of Commerce with the intention to introduce the topic of City-Wide Clean-up. This clean-up would consist of people disposing of all types of things and putting them on their property for the City to pick up and dispose of at the cost to the City. This is a suggestion at this point as cost is a factor. Other surrounding communities like Pipestone, Minnesota and Elkton, South Dakota do this type of thing and it seems to work well for them. Karen requested the Council to consider this idea and if possible, it can be put on as an agenda item at a future meeting.

Maintenance Supervisor Todd Draper explained to the Council that Karen is referring to residents putting everything on the curb and the City picks it up and disposes of all the items (hazardous items included). He reminded the Council and Karen that Pipestone, Minnesota has their own garbage truck, and Elkton is in South Dakota where different rules apply. This would encounter a lot of man power and a lot of demolition costs. Maintenance Supervisor Todd Draper has talked with Southwest Sanitation about this in the past and if they brought their own dumpsters to Lake Benton, they would need to be housed in an enclosed facility and it would need to be monitored 24-7. This could cost between \$10,000.00 and \$20,000.00.

The Council reminded Karen that the City currently has a clean-up day each spring and fall for disposal of stoves, microwaves, beds, mattresses, etc. and residents can purchase a ticket at City Hall for \$10.00 per item. The County also has a hazardous pick-up once a year at a decent rate. Karen will take this information back to the Chamber and do further research on this issue.

The minutes of the Regular Meeting of August 7, 2017 were reviewed. **MOTION** by Mark Dunn, seconded by Dave Enke to approve the minutes of the Regular Meeting of August 7, 2017. Motion carried.

The minutes of the Special Budget Meeting of August 14, 2017 were reviewed. **MOTION** by Mark Dunn, seconded by Rosie DeZeeuw to approve the minutes of the Special Budget Meeting of August 14, 2017. Motion carried.

The minutes of the Special Budget Meeting of August 17, 2017 were reviewed. **MOTION** by Dave Enke, seconded by Daryl Schlapkohl to approve the minutes of the Special Budget Meeting of August 17, 2017. Motion carried.

The next item of business was to approve Pay Request Number Two (2) to A & C Excavating for the Coteau Street Improvement Project. Maintenance Supervisor Todd Draper updated the Council on the project and the project was completed on time. There is a retainage of \$11,481.50 and he will be meeting with the Engineer and Contractor in the next week or two. There may be an additional \$3,000.00 added to the project, and everything looks good. **MOTION** by Mark Dunn, seconded by Daryl Schlapkohl to approve Pay Request Number Two (2) for \$73,317.55 to A & C Excavating for the Coteau Street Improvement Project. Motion carried.

The next item of business was to review/act on the claims presented against the City of Lake Benton.

CLAIMS PRESENTED AGAINST THE CITY OF LAKE BENTON:

QUARNSTROM/DOERING	\$ 1,754.60	LB HARDWARE	\$ 219.32
EXPRESSWAY	\$ 715.12	THOMAS ELECTRIC	\$ 335.31
CITY OF LAKE BENTON	\$ 133.28	S & E AUTO	\$ 25.00
UTILITY CONSULTANTS	\$ 358.75	PAT HAYNES	\$ 500.00
LB CHAMBER	\$ 208.98	SW SANITATION	\$ 3,428.30
CARDMEMBER SRVCS	\$ 178.41	MEADOWLAND FARM	\$ 168.19
ONE OFFICE SOLUTION	\$ 87.88	KENNEDY & GRAVEN	\$ 1,961.31
BUFFALO RIDGE NEWS	\$ 258.00		

MOTION by Dave Enke, seconded by Rosie DeZeeuw to approve payment of the claims presented against the City of Lake Benton. Motion carried and the Mayor authorized the City Administrator/Clerk to make payment.

The next item of business was to meet with Darcy Miller and Pam Veire, Insurance Agents-First Security Bank Lake Benton to finalize the 2017-2018 insurance renewal with LMCIT. The insurance renewal is due September 1, 2017. Darcy began by informing the Council of the following updates since the last meeting.

The Council was given the 2016-2017 quote to compare against the 2017-2018 quote and overall there is a 3% decrease in the annual premium. The total for 2017-2018 is \$22,849.00 versus \$23,653.00 from the previous year. At this time, the Mobile Property shows the largest decrease.

The Council questioned if the Council has "Errors of Admission" coverage. Pam Veire informed them that yes; the Council is insured under the City's liability coverage.

Darcy informed the Council that the League of Minnesota Cities is backed up on this year's insurance renewals. Therefore, Darcy has not been provided the deductible quote on the Mobile Property, but it should be close to the previous year. Darcy then asked Maintenance Supervisor Todd Draper about the Fair Market Value of the Sweeper. The value will have an effect on the blanket coverage if the value is under \$100,000.00 or under \$50,000.00. Todd will get that information to Darcy.

Darcy then requested if the Council would like to keep the \$1,000.00 deductible per claim or raise it to \$2,500.00 per claim. After some discussion, a **MOTION** was made by Daryl Schlapkohl, seconded by Mark Dunn to keep the \$1,000 deductible for \$22,849.00 for 2017-2018. Motion carried.

Darcy then informed the Council the Workers Comp went down due to the decrease on the experience modification from 1.36% to .87% with a discount of \$689 totaling \$11,566.00. **MOTION** by Mark Dunn, seconded by Dave Enke to approve the Workers Comp coverage. Motion carried.

The next item of business was to meet with George Eilertson with Northland Securities. George presented an overview of the City's General Obligation Refunding Bonds, Series 2017 – the City of Lake Benton's USDA Rural Development Loan, Series 2008. George explained to the Council his purpose for being here tonight was to review refinancing the City's existing loan with USDA Rural Development that was done in 2008. The long term loan financed the water and sewer project of 2008.

George went on to explain a new general obligation bond would cost approximately \$2,000,000.00 with a maximum length of thirty (30) years. The new bond interest rate is currently at 3.59% and the overall financing would be \$242,850.00 which includes the legal and financing fees which shows a net savings.

The upfront cost is 2% to 2.5% of what is left to pay on the loan. George presented four (4) Scenarios showing the annual savings, maturity of the bonds, average interest rate, and present value savings. The A-Rated Level bonds are like a credit score or rating for the City. George reminded the Council to be aware of potential saving in the long run, and interest rates are currently moving down. If the City chooses to refinance to a bond, there is no out of pocket expense as it rolls back into the bond amount.

George informed the Council that if the City would like to consider refinancing the loan into a bond at this time, the fixed rate is locked in at 3.59% for ten (10) years and he will inform the City when they should review this again. George will send City Administrator/Clerk Eileen Christensen information within the next thirty (30) days to review at that time.

The next item of business was to discuss the water drainage issue on Lakeview Street. Maintenance Supervisor Todd Draper gave a brief summary of the conditions on Lakeview Street. At the time the district was developed, there were no residents on the east end of Lakeview Street which belonged to Russell Zimmer at the time and was pasture. After parcels were sold and bought, and exchanges of property owners, the private drain was altered. The City did not alter anything.

Karen Rochel purchased the property in question and the catch basin gathers debris causing water to overflow and run down her driveway. The house is lower than street level and she has experienced water issues in her basement since 2003.

One option is to install an 8" tile with a catch basin so the water would drain off further onto Karen's property away from her house. This would involve getting an easement to install an 8" drain pipe which would be bored in, and two sections of curb on City property. The cost could be somewhere around \$4,000.00 without legal fees.

Mayor Bob Worth informed the Council that he talked with Karen and she is willing to pay some of the costs to get this resolved. If she is unable to make one payment in full, she will make payments to the City until paid in full. After some discussion on what previous owners had done and what the City may do to help the issue, the Council also discussed sharing the costs.

Karen Rochel then spoke to the Council and said she has put a lot of money into fixing her flooded basement due to the natural waterway being changed. Karen has been dealing with this since 2003 and appreciates the Council looking into the problem.

Maintenance Supervisor Todd Draper then informed the Council and Karen there will be two places to discharge water to alleviate some of the problem. The City will need to work with Karen on this issue and Karen agreed that she will pay a percentage to fix the issue.

MOTION by Mark Dunn, seconded by Dave Enke to install an 8" storm pipe to alleviate some of the water issues at the end of Lakeview Street. Motion carried. Maintenance Supervisor Todd Draper will contact legal counsel and see what is required to get this done.

PUBLIC WORKS UPDATE:

Maintenance Todd Draper updated the Council that he is waiting for parts for the lift station rehab.

The next item of business was to review/act on loaning funds from the Rehab Loan Account. City Administrator/Clerk Eileen Christensen informed the Council that the property owners at 415 S. Fremont Street applied for the community grant through DSI but the funding for this program will not be available until the summer of 2018. The house next to these homeowners is up for sale and whenever someone considers purchasing the house, they are turned away by the unsightly side of the neighboring house. The family at 415 S. Fremont contacted DSI who informed them to contact the City of Lake Benton and request if the City can offer them a loan through the Rehab Loan Account to repair the siding on their home this summer.

After some discussion, a **MOTION** was made by Mark Dunn, seconded by Rosie DeZeeuw to approve loaning up to \$5,000.00 to the homeowners at 415 S. Fremont Street to use towards putting siding on the north side of their home and fix other cosmetic blemishes on the outside of their home until they are approved to receive funding through the community rehab loan program in 2018. Motion carried.

COMMITTEE REPORTS:

Trustee Mark Dunn – No report.

Trustee Rosie DeZeeuw – The Chamber met on August 8, 2017 and First Dollars will be given to Bennett’s Party Bus, Kjergaard’s Party Bus, Lakeview Design, Lakeview Lodge, and Wooden Diamond. Te-Tonka-Ha was a success. The change of date helped as well as having children’s games. Karen Lichtsinn and Alisha Kuhn will talk with businesses to get interest in restroom and table tent advertising. The Chamber also received a \$400.00 grant from the Lake Benton Foundation to put towards refurbishing the outside front of the Heritage Center.

Trustee Dave Enke – The Library Board will meet this Thursday. However, there is an update to share that the Minnesota Arts Heritage Fund is working with the Hendricks, Ivanhoe, Lake Benton and Tyler Libraries for a bus trip to the World War II Museum in Grand Forks on Saturday, October 7, 2017. This is a wonderful opportunity being offered to the communities and we hope people will consider going to see this museum. The cost is \$10.00 per person.

The EDA met a couple weeks ago which included an update from Benck’s Lakeview Lodge. The lodge is open and the Excel Energy employees are staying there. The Benck’s are working on marketing ventures which include fixing their outside electronic sign. The Benck’s also informed the EDA they had an unscheduled inspection and scored 95 out of 100, which is up from their 83 score at the scheduled inspection in July. The EDA is researching adding a new duplex to address the housing opportunities in the City, and CHS is willing to accept a new bid on the old elevator property on the north end of town and this will be discussed further at the EDA’s next meeting in September.

Trustee Daryl Schlapkohl – No Report.

ADMINISTRATOR/CLERK REPORT:

City Administrator/Clerk Eileen Christensen informed the Council she contacted Wendy Krueger with the Minnesota DNR to attend the September 5, 2017 Council meeting to discuss the deer problem within the City limits.

City Administrator/Clerk Eileen Christensen informed the Council the homeowners at 205 E. Benton Street have made a remarkable effort to clean up their property and requested to send them a thank you letter. Previous homeowners that have cleaned up their property have also been sent thank you letters. **MOTION** by Daryl Schlapkohl, seconded by Mark Dunn to send a thank you letter to the homeowners at 205 E. Benton Street and take them off the abatement list. Motion carried.

MAYORAL REPORT:

Mayor Bob Worth reminded the Council the next meeting is scheduled for Tuesday, September 5, 2017 at 5:30 PM.

There being no further business to come before the Council at this time, a **MOTION** was made by Mark Dunn, seconded by Dave Enke and carried, the meeting adjourned.

MAYOR

ADMINISTRATOR/CLERK