Regular Meeting
December 3, 2014
7:00 p.m.

With due call and notice thereof, the December 3, 2014 Regular Council Meeting of the City of Eden Valley was called to order by Mayor Korman at 7:00 p.m. in the Civic Center meeting room. Present were Mayor Korman, Councilors Gabrelcik, Bradshaw, Thielen and Kern and Clerk Haag. Also present Police Chief Junker, Public Works Director Rademacher, and others. Mayor Korman presided.

The agenda was approved on a motion by Kern, seconded by Thielen.

The consent agenda was reviewed, and a motion to approve the consent agenda was made by Gabrelcik. Items on the consent agenda were Approve Minutes of November 5, 2014 regular meeting, Approve Minutes of November 12, 2014 special meeting, Approve Minutes of November 19, 2014 special meeting, Approve Donation Resolution #2014-19, Approve Maguire Iron Inc. Contract for Watertower Maintenance, Approve LSS Senior Nutrition Site Lease Agreement 2015, Approve Rinke Noonan 2015 Municipal Rate Fee Schedule, Approve Union Contracts 2015-2016. Motion to approve consent agenda was seconded by Bradshaw and carried unanimously.

The first item on the agenda was 2015 Proposed Budget and Levy Hearing. Residents present for the hearing included Brent Bengtson, Janice Sheets, Violet Hamilton and Dale & Laurie Weber. The 2015 proposed budget was reviewed, with the General Fund budget showing a 2.087% increase in revenue and 2.57% increase in expenses, with total revenue of $839,690 and expenses of $863,835. The net deficit of $24,145 is projected to come from general fund reserves, since the Council did not wish to increase the general levy due to the Bond levy for the Main Street/Hwy 22 Project being added, resulting in a 15% increase in the total levy for 2015. The total proposed levy for 2015 is $460,500, compared to $400,000 for 2014. Mayor Korman noted the total levy had been at $400,000 since 2009 and the Council and staff had made cuts where they could to maintain that level, but the street project was needed and resulting increase was inevitable. Increases in insurance liability costs in various departments and natural gas expense budget increases were reviewed as well. Special Revenue and Enterprise Fund budgets were reviewed, with discussion on rate increases for water and sewer funds. 2014 showed increased expenses in the water fund due to repairs and water loss from freezing lines and watermain leaks, and expenses greatly exceeded income. Council consensus was to keep rates the same for 2015, due to the 15% total levy increase, and to monitor expenses closely in 2015 to determine if repairs completed in 2014 will aid in decreasing operating expenses. Rate increases for both water and sewer will be considered for 2016. Mayor Korman invited comments or questions from the public, but none were raised. The hearing was then closed. Resolution #2014-20 was introduced and moved for adoption by Thielen as follows:

RESOLUTION APPROVING FINAL TAX LEVY

BE IT RESOLVED, by the City Council of the City of Eden Valley, Counties of Meeker and Stearns, Minnesota, that the following sums of money be levied for the current year, collectible in 2015, upon the taxable property in the City of Eden Valley, for the following purposes.

GENERAL FUND LEVY	$	383,500.00
2003 GO IMPROVEMENT BOND	$	5,000.00
2007 GO IMPROVEMENT BOND	$	12,000.00
2013B GO IMPROVEMENT BOND	$	60,000.00
TOTAL LEVY TO BE CERTIFIED	**$**	**460,500.00**

The city clerk is hereby instructed to transmit a certified copy of this resolution to the county auditors of Meeker and Stearns Counties, Minnesota.

Motion was seconded by Gabrelcik. Voting in favor were Gabrelcik, Bradshaw, Korman, Thielen and Kern; against: none, whereby Resolution #2014-20 was duly adopted. A motion was made by Kern, seconded by Bradshaw, and carried unanimously to adopt the 2015 Budget as proposed.

The next item on the agenda was 2015 Liquor License Renewals. Clerk Haag reported only one establishment, J & M Liquor, had submitted their renewal application. Valley Inn, Valley Liquor, Dee Dee's Corner Bar, and the Speak Easy had not returned their applications by the required deadline, and there is not another City Council meeting scheduled before the end of the year. Haag questioned if the Council wished to grant the authority to approve the license renewals to Chief Junker and her, or what action, if any, they wished to take. After discussion, the Council consensus was to schedule a special meeting of the Council and require the owners of the establishments to pay the cost of the special meeting to review the applications. A motion was made by Thielen to approve the application for the Off Sale Liquor License for 2015, as submitted by J & M Liquor, contingent upon receipt of certificate of insurance. Motion was seconded by Gabrelcik, and carried, with Kern abstaining due to the owner being a family member. Chief Junker suggested the Council set a date for the special meeting to consider the other license renewals in order to ensure the applications can be submitted to the State for approval, and the special meeting was scheduled for 5:30 p.m. on December 10, 2014. Clerk Haag will notify the business owners of the meeting.

Minutes of the November 25, 2014 Planning and Zoning Commission regular meeting were reviewed. A site permit application from Warren Hovland to construct a pole building in the Industrial District was recommended for approval. After review, a motion to accept the September 24, 2014 minutes of the Planning & Zoning Commission as presented and approve the site permit recommended was made by Gabrelcik, seconded by Bradshaw, and carried unanimously.

The next item on the agenda was Default of TIF Agreement – LADDCO LLC, and Mayor Korman asked Clerk Haag to give a brief description of tax increment assistance and explain the default. Haag did so, and reported an event of default had occurred by the Developers, LADDCO, LLC, on the Amended and Restated Development Agreement for TIF project Premier Apartments, and provided copies of correspondence notifying the Developers of the default, as well as excerpts of the Development Agreement regarding events of default and remedies on default. The default noted was unpaid property taxes that were due on October 15, 2014. The notice was

mailed on October 22, 2014, and thirty days had passed since the notice was sent, with no reply received from the Developer, and the property taxes, in the amount of $9122.76 remain unpaid according to the Meeker County Website information. Haag reviewed the remedies of default including the city suspending its performance under the agreement, cancelling and rescinding the agreement, or taking any action, including legal or administrative, necessary. Mayor Korman noted the City has dealt with this same developer on another issue with a different development agreement and spent two and one-half years, plus legal fees to settle that. He also reviewed issues the City has dealt with this Developer on the TIF agreement, including re-writing the agreement and waiting for documentation from the Developer, and noted that looking back he believed the City Council had done a lot to accommodate the Developer in the past, suggesting the Council consider cancelling and rescinding the agreement, since they probably would go through this again if they didn't. Councilor Bradshaw questioned what would be more expensive, to cancel and rescind the agreement, or utilize one of the other remedies of default. Korman noted it should not be an expense to cancel the agreement, since that is a listed remedy, and noted even though the other development agreement default with this Developer took two and one-half years to settle plus legal fees, that is not a part of this agreement, as they are two separate agreements. Councilor Thielen felt the City Council has done enough, and made a motion to cancel and rescind the Agreement. Councilor Kern asked what the cancellation would mean, and Clerk Haag explained there is a TIF note with an original balance of $80,000, plus interest that was being paid back to LADDCO under the agreement. The cancellation would ultimately mean no more payments would be made to the Developer on that note. Councilor Gabrelcik questioned if there was a window of time for the Developer to respond to the default notice, and the thirty days noted in the agreement was discussed. Mayor Korman explained the default notice to the Developer had also been copied to Mary Ippel, from Briggs & Morgan, who represented the City in drafting the agreement. Korman reported all default notices sent to the Developer have been copied to Mary Ippel as well. Haag reported she had contacted Mary Ippel and questioned if there was any issue to be concerned with if the Council decided to cancel the Agreement due to the default, and Ippel had advised there was none, since the Agreement clearly listed cancellation as a remedy of default. Korman questioned if Haag had heard anything from the Developer since the notice of default had been sent, and Haag reported she has not had any response from the Developer. Gabrelcik seconded Thielen's motion to cancel and rescind the Agreement, and motion carried unanimously.

A proposal to contract with the Tri-County Humane Society for animal control services was presented. The contract proposed a one-year agreement to house the stray animals found in the City's jurisdiction, including dogs and cats. After discussion, and review of the rates proposed, a motion was made by Thielen, seconded by Bradshaw, and carried unanimously, to approve the agreement between the City of Eden Valley and Tri-County Humane Society for 2015.

Mayor Korman opened the Public Forum. Dale Weber questioned the valuation increase of 40% on his land in Stearns County, and he was advised to contact the Stearns County Assessor's office for the answer to his question.

The Clerk presented the bills.

Total Expense: $ 136,275.24

A motion to approve the bills, with the exception of the bill from Thielen Machine & Welding was made by Thielen, seconded by Gabrelcik, and carried unanimously. A motion to pay the bill from Thielen Machine & Welding was made by Kern, seconded by Gabrelcik, and carried, with Thielen abstaining.

Clerk Haag reported her CMJTS assistant in the office is working out well and her hours have been increased to 25 per week for the next several months. Due to this additional time and the upcoming annual audit work, Haag recommended postponing filling the Deputy Clerk/Zoning Administrator position part-time position until after the audit is completed in February 2015. Haag reminded the Council the CP Rail Holiday Train would be arriving in the City on Saturday, December 13th, at approximately 8:45 p.m. The Community Holiday Gathering will once again be held at the Event Center on December 13th, from 6:00 p.m. to 8:30 p.m., and the south entrance to the Event Center is now open.

The Healthy Communities Partnership Group has been re-named to "Eden Valley Citizens For Progress", with a logo EVC4P, and they always welcome new members to assist in helping to improve things in the community. Some members recently met with a representative from Strategic to discuss kitchen plans for the Event Center. Many groups and families have been renting the Event Center and are very pleased with the accommodations so far, and look forward to the improvements planned.

Police Chief Junker reported his monthly reports were not ready yet, due to the early Council meeting date and his recent workload. Council requested extra patrol time be added in the mornings from 7 to 7:30 and in the evenings to control speeding of trucks, particularly milk trucks, through the city.

Public Works Director Rademacher suggested the Council consider how they want to address frozen water lines if they become an issue again this winter, and reported some cities are requiring property owners to be responsible for thawing frozen lines and are not making rate adjustments for running water. After discussion, it was suggested as temperature drops a reminder be put in the paper for property owners to monitor the temperature of their water, and run water if necessary, with the property owner being responsible for the water cost.

Street Christmas decorations are up and timers are not installed on all lights yet, so some will be on from dusk to dawn. Decorations that spanned the street will no longer be used since the poles are gone and an ad will be placed in the League of MN Cities magazine to sell the unused decorations.

Rademacher reported he had checked on pricing for electronic speed indicator signs and they ranged in price from $2,500 to $12,000. He will check with Stearns County also to see where they purchased theirs.

Certificates of appreciation were presented to out-going Mayor Peter Korman and Councilor Kevon Gabrelcik for their years of service as Mayor and Councilors. Staff also expressed

appreciation to Korman and Gabrelcik for their dedication to the City and great working relationship.

Next meeting date will be the special meeting on December 10, 2014 at 5:30 p.m. and the next regular meeting date will be January 7, 2015 at 7:00 p.m.

As there was no further business, the meeting was adjourned at 8:35 p.m. on a motion by Thielen, seconded by Gabrelcik.

Attest:

Mona Haag, Clerk/Treasurer	Peter Korman, Mayor

CITY OF EDEN VALLEY

*Check Summary Register©

November 2014 to December 2014

	Name	Check Date	Check Amt	
10100 STATE BANK IN EV				
Paid Chk# 008352	AFSCME LOCAL 65	11/25/2014	$240.28	UNION DUES
Paid Chk# 008354	CENTER POINT ENERGY	11/25/2014	$665.04	NATURAL GAS
Paid Chk# 008355	FLEET SERVICES	11/25/2014	$558.31	SQUAD LEASE
Paid Chk# 008356	MADISON NATIONAL LIFE	11/25/2014	$348.04	INSURANCE
Paid Chk# 008357	MEEKER COOPERATIVE	11/25/2014	$576.50	ELECTRIC
Paid Chk# 008358	MN REVENUE	11/25/2014	$748.77	STATE WITHHOLDING
Paid Chk# 008359	SELECT ACCOUNT	11/25/2014	$344.57	FLEX
Paid Chk# 008360	T-MOBILE	11/25/2014	$111.58	PHONE SERVICE
Paid Chk# 008361	WEST CENTRAL SANITATION	11/25/2014	$154.69	SERVICES
Paid Chk# 008362	XCEL ENERGY	11/25/2014	$1,990.14	
Paid Chk# 008363	AMERIPRIDE SERVICES	12/4/2014	$135.21	UNIFORM RENTAL
Paid Chk# 008364	RITA ANDERSON	12/4/2014	$30.00	ZONING 11/25/14
Paid Chk# 008365	JUANITA ARENS	12/4/2014	$450.00	SERVICES
Paid Chk# 008366	ARVIG	12/4/2014	$1,475.90	PHONE SERVICE
Paid Chk# 008367	AVENET LLC	12/4/2014	$375.00	WEBSITE
Paid Chk# 008368	BANYON DATA SYSTEMS	12/4/2014	$795.00	PAYROLL SOFTWARE SUPPORT
Paid Chk# 008369	BCBS/RESOURCE TRAINING	12/4/2014	$5,329.00	INSURANCE
Paid Chk# 008370	BORDER STATES	12/4/2014	$188.05	SUPPLIES
Paid Chk# 008371	BRAUN INTERTEC CORP	12/4/2014	$1,161.00	TESTING
Paid Chk# 008372	CENTRAL MCGOWAN	12/4/2014	$6.00	RENTAL
Paid Chk# 008373	CITY OF PAYNESVILLE	12/4/2014	$2,380.00	MUTUAL AID FIRE SERVICE
Paid Chk# 008374	COMDATA	12/4/2014	$384.69	POSTAGE, SUPPLIES, SERVICE
Paid Chk# 008375	EAST SIDE GLASS CO	12/4/2014	$80.00	REPAIRS
Paid Chk# 008376	EDEN VALLEY LUMBER CO	12/4/2014	$1,972.99	SUPPLIES/REPAIRS
Paid Chk# 008377	ERTL HARDWARE	12/4/2014	$11.98	SUPPLIES
Paid Chk# 008378	FARM-RITE EQUIPMENT INC	12/4/2014	$348.82	SUPPLIES
Paid Chk# 008379	FASTENAL COMPANY	12/4/2014	$81.37	SUPPLIES
Paid Chk# 008380	GOPHER STATE ONE-CALL	12/4/2014	$14.50	SERVICES
Paid Chk# 008381	MONA HAAG	12/4/2014	$56.00	MILEAGE
Paid Chk# 008382	HAWKINS INC	12/4/2014	$170.01	SUPPLIES
Paid Chk# 008383	HEARTLAND DOOR SALES	12/4/2014	$176.93	REPAIRS - OLD FIRE HALL DOOR
Paid Chk# 008384	HEIMAN INC.	12/4/2014	$226.80	BRUSH JACKET
Paid Chk# 008385	JACK'S OIL DISTRIBUTING INC	12/4/2014	$712.16	GAS
Paid Chk# 008386	ED KELM	12/4/2014	$30.00	REPAIRS
Paid Chk# 008387	MEEKER COMMUNICATION SER	12/4/2014	$190.00	SUPPLIES
Paid Chk# 008388	MEEKER COUNTY AUDITOR	12/4/2014	$25.00	SUPPLIES - LIST FOR FIRE DEPT
Paid Chk# 008389	MEEKER COUNTY SHERIFF	12/4/2014	$451.91	
Paid Chk# 008390	MHSRC/RANGE	12/4/2014	$792.00	TRAINING
Paid Chk# 008391	MID-MINNESOTA HOT MIX	12/4/2014	$2,900.00	REPAIRS
Paid Chk# 008392	MINNESOTA COMPUTER SYST	12/4/2014	$82.23	SUPPLIES
Paid Chk# 008393	MN DEPARTMENT OF HEALTH	12/4/2014	$680.00	WATER CONNECTION FEE
Paid Chk# 008394	MRWA	12/4/2014	$250.00	DUES
Paid Chk# 008395	440600 NCPERS MINNESOTA	12/4/2014	$16.00	INSURANCE
Paid Chk# 008396	PARKING LOT SWEEPING	12/4/2014	$1,120.00	SWEEPING SERVICES
Paid Chk# 008397	PAYNESVILLE PRESS	12/4/2014	$19.33	ADVERTISING
Paid Chk# 008398	BOB PESCHON	12/4/2014	$200.00	SERVICES - CIVIC CENTER

CITY OF EDEN VALLEY

*Check Summary Register©

	Name	Check Date	Check Amt	
Paid Chk# 008399	REGION III MCFOA	12/4/2014	$15.00	TRAINING
Paid Chk# 008400	RIDGEWATER COLLEGE	12/4/2014	$450.00	TRAINING
Paid Chk# 008401	RINKE NOONAN	12/4/2014	$82.60	LEGAL
Paid Chk# 008402	MICHAEL RIPLEY	12/4/2014	$30.00	ZONING 11/25/14
Paid Chk# 008403	SCHLANGEN CABINETS	12/4/2014	$42.75	REPAIRS/REMODEL
Paid Chk# 008404	STEARNS ELECTRIC ASSOCIATI	12/4/2014	$17,843.75	FIRE TRUCK LOAN PAYMENT
Paid Chk# 008405	THIELEN EXCAVATING	12/4/2014	$5,445.50	SERVICES
Paid Chk# 008406	THIELEN MACHINE & WELDING,	12/4/2014	$18.24	SUPPLIES
Paid Chk# 008407	THUNDER VALLEY	12/4/2014	$113.95	SUPPLIES
Paid Chk# 008408	TOSHIBA FINANCIAL SERVICES	12/4/2014	$115.09	COPIER LEASE
Paid Chk# 008409	VERIZON	12/4/2014	$96.04	SQUAD COMPUTER, ETC.
Paid Chk# 008410	VMG	12/4/2014	$74.98	SUPPLIES
Paid Chk# 008411	VOSS PLUMBING & HEATING	12/4/2014	$197.72	SUPPLIES
Paid Chk# 008412	WEST CENTRAL SANITATION	12/4/2014	$86.46	
Paid Chk# 008413	XCEL ENERGY	12/4/2014	$2,576.99	ELECTRIC
Paid Chk# 008414	ZIEGLER INC.	12/4/2014	$1,002.41	REPAIRS
		Total Checks	$57,247.28	

CHECK#	TO:	FOR:	AMOUNT
39968	USPS	Stamps	34.00
EFT61E	ING	MN DCP	100.00
EFT62E	IRS	Payroll Taxes	1,901.71
EFT63E	PERA	PERA	1,687.65
39969	EV Fire Relief Assoc.	Fire State Aid	20,754.03
39970	EV Fire Relief Assoc.	Annual Contribution	8,000.00
39971	EV Lions	Supplies	48.00
399710	City Utilities	Water/sewer	3,000.77
JE201430	Fire Truck Escrow	Budgeted transfer -general	6,670.00
JE201430	2007 Bond Debt Service	Budgeted transfer - sewer	9,500.00
EFT64E	ING	MN DCP	100.00
EFT65E	IRS	Payroll Taxes	2,036.42
EFT66E	PERA	PERA	2,044.63
JE-201432	Water Treatment Plant	November Usage	7,690.50
22418-22423	Payroll	Salaries	6,791.19
22424-22430	Payroll	Salaries	6,594.78
22431-22433	Payroll	Comp Pay	2,074.28
		TOTAL:	$ 79,027.96
		GRAND TOTAL:	$ 136,275.24