

Regular Meeting  
May 4, 2016  
7:00 p.m.

With due call and notice thereof, the May 4, 2016 Regular Council Meeting of the City of Eden Valley was called to order by Mayor Bengtson at 7:00 p.m. in the Civic Center meeting room. Present were Mayor Bengtson, Councilors Sheets, Bradshaw, Thielen and Kern, and Clerk Haag. Also present Public Works Director Rademacher, Police Chief Junker, City Engineer Kent Louwagie, Meeker County Sheriff Brian Cruze, Douglas Ruhland, and others. Mayor Bengtson presided.

The agenda was approved on a motion by Bengtson, seconded by Bradshaw.

A motion to approve the consent agenda was made by Thielen. Items on the consent agenda included Approve Minutes of April 6, 2016 regular meeting, Approve Minutes of April 27, 2016 special meeting, Approve Donation Resolution #2016-15, Approve 2015 Audited Financial Statements presented at April 6, 2016 regular meeting. Motion to approve consent agenda was seconded by Bradshaw and carried unanimously.

Meeker County Sheriff Brian Cruze was present to update the Council on where Meeker County was in regards to the Code Red emergency notification system the City Council had reviewed last year. Cruze reported the County Board had approved moving forward with a contract with Code Red several months ago, training has taken place, it is easy to use, and many other Counties in the State use it as well. Discussions about the possibility of the City joining under the County contract had been held in the past and Mayor Bengtson had requested Cruze present a proposal on potential cost if the City were to participate. Cruze reported he had reviewed the County's cost, and calculated a cost of \$.29/person, estimating annual cost of \$300 for the City of Eden Valley to be connected and jump on board with the County on the Code Red system, which would cover the entire city, even the Stearns County portion. Training would be included in that cost, and Cruze reported Code Red assists in promoting the system, it's easy to work with, and the County's contract has unlimited licenses, so there would not be a limit on the amount of people the City wished to have trained to use the system. Discussion on use case situations, establishing best practices, and the advantages of going with the County was held. Sheriff Cruze reported if the Council was interested an agreement would be drafted by the County Attorney and could be reviewed by the City's attorney as well. After discussion a motion was made by Thielen to move forward with joining the Code Red emergency system under the County's contract. Motion was seconded by Kern and unanimously approved. Cruze will contact the County Attorney to have an agreement drafted.

Douglas Ruhland was present as a holder of LADDCO, LLC tax increment financing note that had been executed with the City of Eden Valley. He reported he had entered into a development agreement with the City on December 18, 2002 for a tax increment financing "pay as you go" incentive to build a 12-plex apartment building, with a promissory note that would pay him 90% of the real estate tax increment through February 1, 2022. He stated the agreement had a remedy that if the taxes were paid late no payment would be made to him until the taxes were paid. He said in the Fall of 2014 the second half real estate taxes were past due and the City, notwithstanding the remedy in the agreement, passed a resolution to cancel the agreement and \$80,645 note owed, which he questioned as proper. He said taxes were paid at the end of last year and he has not received any TIF payment and was present to ask the Council to rescind their motion to cancel the agreement and pay him the tax increment financing payment he felt was due. Mayor Bengtson reported he had met with Ruhland the previous day and understood his concern, but he had also done some research on the agreement and history of the TIF

District, noting October of 2014 was not the first time Ruhland had been notified of default of the agreement due to non-payment of taxes and had documentation of five incidents of default since 2007. He also questioned why Ruhland had not contacted the City within the 30 days after receiving the notice of default to attempt to remedy the default. Ruhland reported he only had one prior default of the agreement and at that time had talked to Mayor Conrad Blomker and Council action was interest had been suspended until the delinquent taxes had been paid. Bengtson reported he had copies of notices of default dated 11/7/07, 1/29/09, 4/9/09, 7/7/09, 1/30/13, and 10/22/14, and Ruhland suggested the tax delinquency may have been on other properties he owned and not necessarily the TIF parcel. Bengtson referred to the 10/22/14 notice of default, and reviewed the Developer Agreement, Article 4, Section 4.1, Events of Default, which listed non-payment of taxes as an event of default, as well as Section 4.2, Remedies of Default, which listed cancelling and rescinding the agreement as a remedy of default, and also referenced the tax increment note which stated if the City elects to cancel and rescind the Development Agreement the City shall have no further debt or obligation under the note, whatsoever. Bengtson reported he had also contacted Mary Ippel, the attorney who had drafted the agreement and helped with the establishment of the TIF District, and she had expressed concern that action to re-instate the agreement will not pass the State Auditor's office and most likely they will deem it misappropriation of TIF funds and require re-payment of the TIF to the State, which could potentially cost thousands of dollars if the City had already paid the funds to Ruhland and then have to re-pay the State, and caused Bengtson to question if the City could re-instate the agreement, even if they wanted to. Ruhland countered he believes the agreement has an issue of substantial compliance, and that by him completing the building he has met the substantial compliance and it did not make sense to cancel the agreement. He further explained he was familiar with Mary Ippel, as she was advising both the City and him, he had paid her for her work on the agreement, believed she has been working against him, found it troublesome and felt substantial performance had been completed and the Council should rescind their cancellation of the agreement and note. Discussion followed on the cancellation, Ruhland's failure to cure the default in the required 30 days, and his waiting until 18 months after the agreement had been cancelled to come to the Council. Review of the file showed four notices of default had been issued since the agreement was signed, with three of those related to non-payment of taxes. Ruhland stated he had done everything he could to hold up his end of the deal, the previous Council was wrong to cancel the agreement and this Council needed to correct it. Mayor Bengtson reported he had researched the information in the file, spoken with Mr. Ruhland and Mary Ippel, and found the City Council had followed the agreement to the letter when taking their action and had also allowed more than the 30 days allowed for Ruhland to remedy the default, yet he had not made any attempt to contact the Council or remedy the default during that time. Bengtson also noted Mary Ippel's concern the State Auditor could possibly require money be paid back if the agreement were re-instated. Ruhland stated he had initially come to request the Council rescind their motion to cancel the agreement, but now was asking to table that request and instead asking the City to contact the State Auditor to find out what the ramifications of re-instating the agreement would be. Discussion followed with Kern and Bradshaw favoring tabling Ruhland's initial request and contacting the State Auditor for an advisory opinion, while Bengtson, Sheets and Thielen felt the Council had followed the agreement when cancelling it and Mary Ippel's concerns were valid. Ruhland suggested the previous Council had taken draconian action, an advisory opinion should be obtained from the State Auditor and Mary Ippel has been working against him. After further discussion, a motion was made by Bengtson to deny the request by Ruhland to re-instate the Developer's Agreement. Motion was seconded by Sheets. Voting in favor were Sheets, Bengtson, and Thielen; against: Bradshaw and Kern, whereby motion carried.

City Engineer Kent Louwagie of Bolton & Menk was present to update the Council on the Hwy 22 Project. He provided the final punch list, as well as results of the walk through of the project

area that had been completed this week and a quote from Creative Curb on estimated costs to complete the areas in question, as well as the cost of the concrete work that had already been redone in 2014, which totaled \$25,833.00. Locations of concrete that need work yet include Dingmann Funeral Home, Ugly Tom's, 115 State St. S., and the ped ramps at the intersection of Hwy 22 and Central Avenue, with estimated cost of \$8774 plus an additional cost of \$970 to sand blast additional ped ramp spots, or an alternate option of \$3092 to repair and replace the ped ramp areas in question. Creative Curb has spent an estimated \$12,997 on replacement so far and requested consideration of reimbursement of that amount as well. Discussion followed on sandblasting versus replacement, ADA issues, reimbursement request, warranty issues, and estimated timeline for completion of the work. Mayor Bengtson reported after the walk through Creative Curb had indicated they would have the work completed by the end of May, and Louwagie reported the 2-year warranty begins once the project is complete, and typically an inspection is completed shortly before the 2-year period ends. The possibility of grinding down the concrete in the area of the funeral home to solve the issues there instead of removal and replacement was discussed and Louwagie reported he could check into whether or not that would work, but did not have the answer right now, and the Council consensus was they did not want to delay the completion of the work any longer and did not want to wait until another meeting to make a decision, so they may approve work, with the option of grinding the concrete if Louwagie determined that would take care of the issues there. After further discussion, a motion was made by Bengtson to approve spending up to \$9744 to complete the work by Dingmann Funeral Home, Ugly Tom's, 115 State St. S., the ped ramps at the intersection of Hwy 22 and Central Ave, and sandblasting ped ramp spots, the top 5 items on the list of Creative Curb's quote, with the work by the funeral home pending the determination of Louwagie's research on grinding versus replacement. Motion was seconded by Thielen and carried unanimously. The request for reimbursement for replacement work completed in 2014 was not approved.

Applications were received from Eden Valley Fire Relief Association to close Cossairt Ave. W. from State St. N. to the alley west of State St. N. from June 23-26, 2016, and for a Temporary On-Sale Liquor License from June 24-26, 2016 for Valley Daze events sponsored by the Fire & Rescue. A motion was made by Bengtson to approve the application for temporary on-sale liquor license, contingent upon receipt of certificate of insurance, and to approve the street closing as requested. Motion was seconded by Sheets, and carried unanimously.

Mayor Bengtson reported Brian Peterka had accepted the Compliance Officer/Zoning Administrator position the City had advertised to contract for. A formal contract will be drawn up and questions on pay method, attendance at Council meetings, reports to the Council, payment of registration for training seminars and other issues were reviewed. Clerk Haag will be meeting with Peterka to discuss some of these issues and working with Mayor Bengtson to draft a contract for Council approval. Questions of potential issues of conflict of interest were raised, and Chief Junker reported he did not see any issues there, but the Council may want to check with the City Attorney to confirm that.

Mayor Bengtson reported the EDA Board had met and has offered recommendations to the City Council on incentive and economic development assistance. A suggested sewer/water credit program was presented, which would provide \$500 incentive to new construction home buyers to offset the first few months of water and sewer usage of new construction home

ownership. Bengtson reviewed the proposed incentive offered as a pilot program which could be cancelled or expanded by the City Council, depending on the outcome, with funding for the program to come from the City's business revolving loan program funds, or possibly from the DEED Housing Rehab fund, pending approval from the State for use from that fund. Discussion followed, with Councilor Kern suggesting the incentive not only be offered to new construction, but also to first-time home owner to allow existing housing to use the program and target younger people as well. Bengtson reported he can take that idea back and look into it. The EDA also recommends allocating up to \$25,000 of the revolving loan funds to be used as potential grant funds for feasibility studies, business plans, and infrastructure planning for future economic development projects. The \$25,000 allocated dollars would be used to serve a number of potential projects, with approval of the grant awards subject to approval by both the EDA and the City Council. Clerk Haag will be attending a DEED workshop in the near future and will check into the possibility of utilizing the Housing Rehab fund balance for the utility incentive program and also confirm the revolving loan fund dollars can be expended as planning grants. Council consensus was favorable to the recommendations and once the funding options are determined a resolution approving recommendations will be prepared for Council consideration.

Minutes of the April 26, 2016 Planning and Zoning Commission regular meeting were reviewed. Review of the regular meeting minutes showed a home occupation permit application from Patricia Benson for an in-home seamstress business, Green Gables Stitchery, had been received and recommended for approval. A motion to approve the application was made by Bengtson, seconded by Kern and carried unanimously. The Zoning Board also had questioned the status of Council consideration of tarp accessory structures in the City and Bengtson reported he had planned for the Council to address this issue after the Rental Code had been adopted and suggested a workshop to discuss the issue be scheduled. After review, a motion to accept the April 26, 2016 minutes of the Planning & Zoning Commission as presented was made by Bradshaw, seconded by Kern, and carried unanimously. A workshop to discuss the tarp issue was scheduled for May 18, 2016, at 7 p.m. in the Civic Center.

Correspondence from City Attorney Adam Ripple regarding the proposed Public Computer Internet Use Policy & Agreement was reviewed and a motion to approve the policy and agreement as presented was made by Bengtson, seconded by Thielen, and carried unanimously.

Mayor Bengtson opened the Public Forum. There were no comments.

The Clerk presented the bills.

Total Expense: \$ 108,475.11

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

Clerk Haag provided the Cash and Investment report as of April 30, 2016 to the Council for their review.

Chief Junker provided his monthly report and reported he had been monitoring speeding issues on Stearns Avenue, would be sending out Spring clean-up notices next week, and continues to work on community policing with kids, handing out Twins cards and Dairy Queen certificates. He also reported summer hours of extra patrol time will be starting Memorial Day weekend. Mayor Bengtson questioned what could be done about trucks parking too close to intersections and limiting visibility and Junker reported he was working on an amendment to the City's parking ordinance with City Attorney Ripple and hoped to have something by the next meeting. He was also going to meet with Public Works Director Rademacher before he painted the yellow no-parking lines at intersections to make sure they were compliant with MNDOT requirements.

Public Works Director Rademacher reported irrigation from the ponds has been started, crack sealing should be completed this week, sealcoating should be completed within the next two weeks, and flowers have been replanted at the DOT site on the east end of the city by the welcome sign. He reminded Council of the Water Festival scheduled for May 13<sup>th</sup> at the Civic Arena in Richmond, and reported the brush site regulations are being followed so far. New speed bumps are in and will be installed on Church Street and televising of sewer lines has been completed and he and City Engineer Louwagie will be reviewing the report and videos of results.

Mayor Bengtson read a thank-you received from EV-W Community Education for donations received from the City for the senior citizen banquet, as well as for use of the Event Center for the banquet location. He also read a proclamation recognizing the week of May 1 through May 7, 2016 as Municipal Clerks Week, extending appreciation to City Clerk Mona Haag and Deputy Clerk Darla Kerzman for the services they perform and their dedication to the community.

Next regular Council meeting is scheduled for June 8, 2016, at 7:00 p.m., with a workshop to discuss tarp accessory structures scheduled for May 18, 2016 at 7:00 p.m.

As there was no further business, the meeting was adjourned on a motion by Bengtson, seconded by Kern.

Attest:

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Mona Haag, Clerk/Treasurer

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Brent Bengtson, Mayor

**CITY OF EDEN VALLEY**  
**\*Check Summary Register©**

Name	Check Date	Check Amt	
<b>10100 STATE BANK IN EV</b>			
Paid Chk# 009595	AFSCME LOCAL 65	4/25/2016	\$277.39 UNION DUES
Paid Chk# 009596	CENTER POINT ENERGY	4/25/2016	\$1,029.74 UTILITIES
Paid Chk# 009597	FLEET SERVICES	4/25/2016	\$440.82 SQUAD LEASE
Paid Chk# 009598	HOUSTON PRODUCTIONS LLC	4/25/2016	\$1,725.00 MSB
Paid Chk# 009599	JACK'S OIL DISTRIBUTING INC	4/25/2016	\$504.38 FUEL
Paid Chk# 009600	MEEKER COOPERATIVE	4/25/2016	\$552.50 UTILITIES
Paid Chk# 009601	USABLE LIFE	4/25/2016	\$153.00 INSURANCE
Paid Chk# 009602	WEST CENTRAL SANITATION	4/25/2016	\$154.69 GARBAGE
Paid Chk# 009603	XCEL ENERGY	4/25/2016	\$1,756.49
Paid Chk# 009604	AMERIPRIDE SERVICES	5/5/2016	\$154.33 UNIFORM RENTAL
Paid Chk# 009605	JUANITA ARENS	5/5/2016	\$450.00 SERVICES
Paid Chk# 009606	ARNOLDS OF KIMBALL	5/5/2016	\$260.40 SUPPLIES
Paid Chk# 009607	ARVIG	5/5/2016	\$1,582.56 SERVICES, PHONE & ADV
Paid Chk# 009608	BARCO PRODUCTS	5/5/2016	\$703.84 SUPPLIES
Paid Chk# 009609	BCBS/RESOURCE TRAINING	5/5/2016	\$5,020.00 INSURANCE
Paid Chk# 009610	BERGANKDV	5/5/2016	\$3,325.00 AUDIT SERVICES
Paid Chk# 009611	BOLTON & MENK, INC	5/5/2016	\$20,543.50 ENGINEERING
Paid Chk# 009612	COMDATA	5/5/2016	\$968.66 SUPPLIES, SERVICES, MEALS & LC
Paid Chk# 009613	EDEN VALLEY LUMBER CO	5/5/2016	\$192.39 SUPPLIES
Paid Chk# 009614	FLEXIBLE PIPE TOOL CO.	5/5/2016	\$300.85 SUPPLIES
Paid Chk# 009615	MONA HAAG	5/5/2016	\$113.40 MILEAGE
Paid Chk# 009616	HEARTLAND SECURITY	5/5/2016	\$188.55 SERVICES
Paid Chk# 009617	HEIMAN INC.	5/5/2016	\$443.75 SUPPLIES
Paid Chk# 009618	JIM NEUMAN SMALL ENGINE RE	5/5/2016	\$10.00 REPAIRS
Paid Chk# 009619	K & B SOLUTIONS	5/5/2016	\$857.45 SUPPLIES
Paid Chk# 009620	DARLA KERZMAN	5/5/2016	\$32.94 MILEAGE
Paid Chk# 009621	KIMBALL PARTS CITY	5/5/2016	\$59.50 SUPPLIES
Paid Chk# 009622	RANDY KRAMER	5/5/2016	\$1,451.42 EXCESS JUDGMENT FUNDS
Paid Chk# 009623	MEEKER COUNTY SHERIFF	5/5/2016	\$395.29 SUPPLIES & SERVICES
Paid Chk# 009624	MIDWEST SOUND & STAGE INC	5/5/2016	\$1,850.00 1/2 DOWNPYMT MSB
Paid Chk# 009625	MINNESOTA COMPUTER SYSTE	5/5/2016	\$19.64 SUPPLIES
Paid Chk# 009626	MN BCA	5/5/2016	\$5.60 SUPPLIES
Paid Chk# 009627	MN DEPARTMENT OF HEALTH	5/5/2016	\$23.00 LICENSE FEE - MARK BERG
Paid Chk# 009628	MR. HEATING & AC, LLC	5/5/2016	\$147.99 REPAIRS
Paid Chk# 009629	440600 NCPERS MINNESOTA	5/5/2016	\$16.00 INSURANCE
Paid Chk# 009630	OFFICE DEPOT	5/5/2016	\$114.27 SUPPLIES
Paid Chk# 009631	PARKING LOT SWEEPING	5/5/2016	\$3,745.00 STREET SWEEPING SERVICES
Paid Chk# 009632	PAYNESVILLE PRESS	5/5/2016	\$342.30 ADVERTISING & PRINTING
Paid Chk# 009633	BOB PESCHON	5/5/2016	\$200.00 SERVICES
Paid Chk# 009634	POST BOARD	5/5/2016	\$90.00 LICENSE-BJORK
Paid Chk# 009635	RAMSEY PRINTING	5/5/2016	\$24.00 SUPPLIES
Paid Chk# 009636	RINKE NOONAN	5/5/2016	\$891.50 LEGAL
Paid Chk# 009637	CRIS RISBERG	5/5/2016	\$450.00 SERVICES
Paid Chk# 009638	SELECT ACCOUNT	5/5/2016	\$8.44 INS ADMIN
Paid Chk# 009639	STEARNS COUNTY AUDITOR/TR	5/5/2016	\$4,204.00 PROPERTY TAXES
Paid Chk# 009640	STEARNS COUNTY AUDITOR/TR	5/5/2016	\$913.50 SERVICES & LEGAL

**CITY OF EDEN VALLEY**

**\*Check Summary Register©**

Name	Check Date	Check Amt
Paid Chk# 009641 STOCKMEN'S GREENHOUSE	5/5/2016	\$124.95 SUPPLIES
Paid Chk# 009642 SUMMIT COMPANIES	5/5/2016	\$612.75 EXTINGUISHER SERVICE
Paid Chk# 009643 JEFF TEICHER	5/5/2016	\$310.00 SERVICES
Paid Chk# 009644 THIELEN EXCAVATING LLC	5/5/2016	\$1,360.50 REPAIRS
Paid Chk# 009645 THIELEN MACHINE & WELDING,	5/5/2016	\$125.87 SUPPLIES
Paid Chk# 009646 JUDY THIELEN	5/5/2016	\$50.00 SERVICES
Paid Chk# 009647 TOM'S CARPET KINGDOM	5/5/2016	\$2,881.72 REPLACE CARPET & TILE
Paid Chk# 009648 TRI-COUNTY NEWS	5/5/2016	\$32.00 ADVERTISING
Paid Chk# 009649 UC LABORATORY	5/5/2016	\$1,367.00 TESTING
Paid Chk# 009650 VALLEY DAZE COMMITTEE	5/5/2016	\$1,300.00 SERVICES
Paid Chk# 009651 VALLEY VIEW ELECTRIC	5/5/2016	\$566.53 REPAIRS
Paid Chk# 009652 VERIZON	5/5/2016	\$264.21 PHONE & INTERNET
Paid Chk# 009653 VIKING INDUSTRIAL CENTER	5/5/2016	\$1,110.99 GAS MONITOR
Paid Chk# 009654 XCEL ENERGY	5/5/2016	\$2,911.73 ELECTRIC
<b>Total Checks</b>		<b>\$69,711.33</b>

CHECK#	TO:	FOR:	AMOUNT
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EFT281E-296E	Fire & Rescue	Calls, mtgs., clothing allow	1,060.42
EFT297E	IRS	Payroll Taxes	273.87
40039	USPS	Stamps	188.00
EFT298E	Select Account	Flex	116.52
40040	MN BCA	Background checks	30.00
EFT299E	MN Revenue	Sales tax	297.00
EFT300E-308E	Payroll	Salaries	7,858.51
EFT309E	GWRS/MN	MN DCP	200.00
EFT310E	PERA	PERA	1,923.79
EFT311E	IRS	Payroll Taxes	2,109.67
EFT312E	State Bank in Eden Valley	Bank charge back fee- Lang	5.00
EFT313E	MN Revenue	State withholding tax	821.81
EFT314E	Select Account	Flex	178.07
EFT315E	Select Account	Flex	1,232.93
EFT316E-323E	Payroll	Salaries	8,637.49
EFT324E	GWRS/MN	MN DCP	200.00
EFT325E	PERA	PERA	2,169.88
EFT326E	IRS	Payroll Taxes	2,336.82
EFT327E	Authnet Gateway	Website services	25.00
JE-201615	Water Treatment Plant	April Usage	9,099.00

TOTAL: \$ 38,763.78

GRAND TOTAL: \$ 108,475.11