

Council Present: Mayor Dana Ziegler, Wendy Bennett, Emily Edwards, Adam Finney, and Lisa Peterson  
Staff Present: Clerk Kara Hansen, Public Works Supervisor Mark Willette  
Others Present: Tiffany Emery and son, Calvin Baarts, Engineer Chris Knutson, Representative Bjorn Olson

Mayor Ziegler opened the Public Hearing at 6:00 PM. There was one property who had not paid nor signed a payment agreement about their overdue utility fees. Mayor Ziegler asked if anyone had any comments or concerns about utility special assessments. No comments were made. Councilor Finney made a motion to adjourn the public hearing at 6:02 PM. 2<sup>nd</sup> by Councilor Peterson. All approved. Motion carried.

Mayor Ziegler opened the regular council meeting at 6:02 PM

#### **Approve agenda**

Mayor Ziegler said there was an email from USDA-RD that was added to Infrastructure Project in folder c. Funding to Pay Application. Councilor Finney made a motion to approve the agenda with the addition. 2<sup>nd</sup> by Councilor Peterson. All approved. Motion carried.

#### **Consent Agenda**

The consent agenda included the 10/3/2023 meeting minutes, the 10/18/2023 Teams meeting minutes with Engineer Chris Knutson of SEH, and 10/19/2023 special council meeting minutes, Check Reconciliations, October Cash Balance Investment Report, Checks for Month showing \$83,831.70 in deposits and \$95,057.68 in checks, Savings and Loan Balance, City Revenue Guidelines, City Expenditure Guidelines, 20-23 Project expense report, City Savings Balances, November and December calendar of events, BEC Call Log for October, VCFD October Report, USI Consulting Group Contract for Fire Relief Association, 2023 Local Weed Inspector Annual Township and City Report, Freeze Run Agreements for two residences. Councilor Edwards made a motion to approve the consent agenda. 2<sup>nd</sup> by Councilor Bennett. All Approved. Motion carried.

#### **Additional Bills**

**a. Add'l Bills:** Mayor Ziegler asked if there was a separate card set up for Crystal Valley Cardtrol between the city and the fire department. Clerk Hansen says the fire department has a city credit card and a Cardtrol. Councilor Peterson asked if the GMS Road and the Schwarz Road will be categorized under the project budget and will be reimbursable, or will they come out of future projects. Mayor Ziegler said they spoke about it, and decided they didn't want engineering involved because it would cost more. Therefore, they were going to take both roads out of future projects. Councilor Peterson asked if the new sewer lateral would come out of the repair and maintenance. Mayor Ziegler said it would come out of the sewer fund. Councilor Peterson made a motion to approve the additional bills. 2<sup>nd</sup> by Councilor Edwards. All approved. Motion carried.

**b. 2023 Snow Plowing and Hauling Contract:** Clerk Hansen said the snow hauling rate will remain the same as last year, but the snow plowing rate has increased by \$20 an hour. Mayor Ziegler said the council should review the 2024 budget and shuffle funds around if needed. Hauling the snow is extra, but snow plowing comes off the retainer. PW Supervisor Willette asked if the city ever went over the retainer. Mayor Ziegler said yes.

PW Supervisor Willette said on March 16, 2024, the construction company will take over snow plowing and hauling, per their contract with the city. The company will take ownership of snow plowing and hauling on Nov. 28, 2023, when construction is done for the year. Any street that the construction company put gravel down on is their responsibility to take care of until the project is wrapped up next year. Councilor Bennett made a motion to approve the snow plowing contract for November 1<sup>st</sup>, 2023 to April 30<sup>th</sup>, 2024. 2nd by Councilor Edwards. Motion carried. Councilor Peterson abstained from the conversation and approval.

### **Public Comment**

VC Resident Tiffany Emery inquired about the storm and sanitary sewer that needed to be paved. She asked if the work would be done close to the co-op, and should she take precautions with her property. PW Supervisor Willette said when the construction company gets to it there will be curb on both sides of the street. Mayor Ziegler explained when the city received the bid for the project the bid was under what was projected, and the city is having extra work done so they could receive the maximum amount for funding. Construction on Hwy 10 will start on June 15<sup>th</sup>, 2024 and has to be finished by August 28<sup>th</sup>, 2024. The county is doing Hwy 10 because Hwy 13 is also being done, and they don't want both roads tied up at the same time. PW Supervisor Willette said there is an access in an alley behind the trees for Mrs. Emery, and she can talk to the co-op about using it. Mayor Ziegler thought all the roads that had work performed on them have to be asphalted by May 15<sup>th</sup>, 2024. He said East St N would probably take a couple of weeks, but it would be asphalted right after.

### **Infrastructure Project**

**a. Schwarz Road:** Mayor Ziegler said the construction company cut more concrete than they should have. Holtmeier owned up to it, and are fixing it. Engineer Knutson reported the slope of the road should be flatter after the construction.

**b. Construction Extension:** Engineer Knutson said all the utility work is complete. Streets just need to be finished and winterized. Holtmeier should be done with streets by the middle of next week after general site clean-up and general stabilization is performed. Holtmeier has requested to work longer as they have to perform conductivity tests. Mayor Ziegler said the contract's end date is Nov. 18<sup>th</sup>. The council needs to approve an extension to December 1<sup>st</sup>. Councilor Finney made a motion to approval the application for extension for Holtmeier construction up to December 1<sup>st</sup>. 2<sup>nd</sup> by Councilor Peterson. All approved. Motion carried.

**c. Funding for the First Pay Application:** The City will receive a Pay Application request for \$1,088,771.68. Engineer Knutson said a council member will have to make a motion to approve it, and call it Pay Application Number One. Mayor Ziegler said once they have all the bids, the city will submit Pay Application Number One to PFA. Katelyn Kanuit of PFA informed Mayor Ziegler that it would be 3-4 weeks before the city could see the funding. What typically happens is the city council is presented a pay application, the city council approves it, and sends it to PFA before the 15<sup>th</sup> of each month. PFA reviews it, and the funding is released by the end of the month. The funds would then be used to pay the contractor. Katelyn Kanuit of PFA is not going to have that ready before the fifteen of November. Mayor Ziegler explained that the funding is there for the project, but PFA cannot release it until they've reviewed all the documents. Mayor Ziegler and Councilor Peterson have looked into how to pay Pay Application Number One. Ed Gilmore of USDA-RD said there is \$400,000 that the city can acquire from the loan, and the county has a share of \$149,000 of it. The city could pay about \$600,000 the city could pay Holtmeier this way. In the contract with Holtmeier, we have a 3% annual late fee. If the city secured

another interim loan it's going to be a \$25-30,000 fee. The city could also pull from funds we have, but our accountant does not recommend that. Mayor Ziegler said he and Councilor Peterson will have a meeting with Holtmeier Construction, but stressed the city is not in violation of the contract, but the city will get Holtmeier paid. If Katelyn Kanuit of PFA cannot release the funding for December's pay application, the city would contact Shannon Sweeney of David Drown Associates for an interim loan. Mr. Sweeney said it would take 20-25 days to close on the loan, and it's going to be \$20,000-30,000, but it would allow the city to be paid up with Holtmeier through the end of the year. Councilor Peterson said the federal government is in danger of shutting down, and if the federal government shuts down then we are looking at a longer wait to receive the funds. Engineer Knutson said Ed Gilmore of USDA-RD is going to get as much of the paperwork done for the Second Pay Application funding as possible, so in the event of a government shut down, Mr. Gilmore can send the paperwork he completed to the city, and the city can submit it to PFA. Mayor Ziegler said the reason the city isn't getting the funding until later is because Holtmeier didn't give the city the quotes and the change orders in in good time, and Holtmeier is getting another \$800,000 in work. Mayor Ziegler and Councilor Peterson will meet with Jim Voda of Holtmeier to talk about paying Pay Application Number One. Councilor Peterson made a motion to approve Pay Application Number One for \$1,088,771.68. 2<sup>nd</sup> by Councilor Finney. All approved. Motion carried.

**d. Insurance Bond Limit:** Ed Gilmore of USDA-RD is requesting that the city increase insurance bond limit to the largest it can be for Pay Application Number One. The largest the city can do is \$2 Million which will increase the premium by \$650. The bond will protect the city in the event something happens to the monies appropriated for Pay Application Number One. Councilor Peterson made a motion to raise the insurance bond limit to \$2 Million dollars and goes into effect on November 10<sup>th</sup>, 2023. 2<sup>nd</sup> by Councilor Finney. All approved. Motion carried.

### **Public Works**

**a. Revised CSAH Agreement:** Councilor Peterson said the county added compensation to the agreement. The city needs to agree and resign the contract. Councilor Peterson made a motion to approve the updated agreement with BEC for the CSAH maintenance. 2<sup>nd</sup> by Councilor Edwards. All approved. Motion carried.

**b. Peterson Address:** Resident Drew Peterson is requesting the city appropriate an address to his property. Clerk Hansen recommended the property be called 203 Grannis St, and showed the council a map of the property and surrounding addresses. Clerk Hansen said the council needs to make a motion to approve the new address. Councilor Finney made a motion to make the Drew Peterson property address to be 203 Grannis St. 2<sup>nd</sup> by Councilor Bennett. All approved. Motion Carried.

PW Supervisor Willette said he had a conversation with MPCA and didn't realize they added items to their permit. PW Supervisor Willette overlooked them. One item is because of the bonding with the waste water plant, PW Supervisor Willette will receive a violation because the city was supposed to have funding in place. He said he would argue that one to be removed. Councilor Peterson said that an email came through from Teresa Roth of MPCA. She spoke with Pam Rodewald of MPCA, and the violation for the bidding and notification requirement will be removed. The other violation was PW Supervisor Willette was supposed to submit a preliminary waste water report as there was a change in the facility plans for the waste water. Teresa Roth of MPCA also stated in the same email that she spoke to the Pretreatment Coordinator and requested they remove the requirements in the database for annual pretreatment reports since Vernon Center didn't have one, and that should address that violation.

### **Vehicle feedback signs**

Mayor Ziegler was advised not to purchase signs that records data, but the signs needs to show the speed and the numbers need to flash if the speed is over the speed limit. Mayor Ziegler said he didn't think we needed a solar one, and recommended the vehicle feedback signs be tabled until January because of the project.

### **Tornado Sirens**

Mayor Ziegler reminded the council that the city received a grant to fix the siren, but it is the city's responsible for the maintenance of the siren. The batteries were replaced, but the siren didn't work twice more after the replacement. Mayor Ziegler wanted to know if it is working now. Clerk Hansen said the siren didn't go off when it was supposed to in October. Frontline came and worked on the siren, but she hasn't heard back from them since. She has sent emails to BEC Emergency Management Director Eric Weller, and he said they are waiting for parts for the siren they'd ordered. Clerk Hansen reported the siren went off on Wednesday, November 1<sup>st</sup>. Frontline sent a technician on November 8<sup>th</sup> to test it. Mayor Ziegler asked about the \$600 dollars for maintenance, and Clerk Hansen explained it was a recommended amount for yearly maintenance on the tornado siren. Eric Weller told Clerk Hansen more information would be forthcoming in 2024. Mayor Ziegler asked if the invoice present had been paid. Clerk Hansen said she was under guidance from Clerk Roelofs not to pay it as Eric Weller said in the email that grant money would pay for it. Mayor Ziegler said the invoice is actually to Blue Earth County. Mayor Ziegler asked if PW Supervisor Willette had the ability to activate the tornado siren, he said he doesn't, and he doesn't know how to operate it. Mayor Ziegler asked for Eric Weller's information so he could get in contact with him, and make sure it was working, and he would give an update at the next council meeting.

### **Rushmore**

Mayor Ziegler was contacted by the City of Rushmore, and he reiterated that the City of Vernon Center's attorney is not going to let us to pay a contractor to go into Rushmore's facility and retrieve the equipment. The City of Rushmore thought that Mayor Ziegler and PW Supervisor Willette should come down to Rushmore on their next council meeting, on Monday, November 13<sup>th</sup>, at 7:30 PM. Mayor Ziegler said he was willing to go if PW Supervisor Willette would come, and if the council wanted them to. PW Supervisor Willette said he would go on Monday. Mayor Ziegler reiterated he would not broker a different deal with the City of Rushmore other than the one they already had in place. Councilor Peterson inquired why the City of Rushmore was concerned about the deal. Mayor Ziegler explained that the City of Rushmore does not want to foot the bill for the construction company to remove the equipment if it does not show up in the Vernon Center or it shows up in Vernon Center damaged. Mayor Ziegler said the language is already in the contract for the City of Vernon Cener to reimburse the City of Rushmore should the equipment be delivered missing or damaged. Councilor Peterson said if the city could acquire the equipment then it would be worth both PW Supervisor Willette and Mayor Ziegler going to the City of Rushmore. Mayor Ziegler asked if he and PW Supervisor Willette could go early and have a look at the equipment before the meeting. Clerk Hansen said she would email the City of Rushmore's clerk, and see if it was a possibility. She would also ask the City of Rushmore's clerk to put Mayor Ziegler and PW Supervisor Willette on the agenda.

City of Vernon Center  
11/09/2023  
Public Hearing and Regular Council Meeting Minutes

**Resolution 2023-21 Certifying unpaid charges for delinquent utility accounts**

Councilor Peterson made a motion to approve Resolution 2023-21 to certify unpaid charges. 2<sup>nd</sup> by Councilor Edwards. All approved. Motion carried.

**Representative Bjorn Olson**

Representative Olson noticed the city council spoke about the bonding, and was very pleased that the City of Vernon Center was able to get bonding for the project.

**Motion to adjourn**

Councilor Peterson made a motion to adjourn. 2<sup>nd</sup> by Councilor Edwards. All approved. Motion carried.

Meeting adjourned at 7:04 PM.

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Kara Hansen, Clerk-Treasurer

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Dana Ziegler, Mayor

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Date Approved