

ORTONVILLE CITY COUNCIL MEETING MINUTES
REGULAR MEETING
CITY OFFICE MEETING ROOM
315 Madison Avenue, Ortonville, MN
Monday, March 2, 2009
7:00 P. M.

CALL TO ORDER AND ROLL CALL:

Mayor Pro Tem Nick Anderson called the Regular Meeting of the Ortonville City Council to order at 7:00 P.M. Roll Call was taken with the following present: Mayor Pro Tem Nick Anderson, Craig Randleman, Bob Meyer, John Cunningham, Mike Dorry, Steve Berkner. Absent: Mayor Blair Johnson. Staff Present: City Administrator David Lang, Deputy Clerk Susan Lundell. Media Present: Mike Swenson (*Ortonville Independent*). Others Present: Jon Olson of Ulteig Engineers, OAHS Administrator Rick Ash, OAHS Chief Financial Officer Jim Foster, Artie Arndt, Sarah Karels, Elsie Perrine and other interested citizens.

AGENDA AMENDMENTS:

Add:

11.b. Utility Committee Minutes

Motion by Randleman, second by Cunningham to approve the Agenda as amended.

All in favor. 6-0. MCU. (Motion carried unanimously)

CITY ATTORNEY REPORTS & RECOMMENDATIONS:

a. Healthcare Board Ordinance Update-Attorney Ash was unable to attend the meeting. The first Meeting regarding the Ordinance will be Friday, March 6, 2009 at 1:30 P. M.

RECOGNITIONS/PRESENTATIONS/INTRODUCTIONS:

6.a. Presentation by Ulteig Engineers on Preliminary Engineering Report for Utility and Street Improvements-Jon Olson-Ulteig Engineers

Resolution Accepting Preliminary Engineering Report for Utility and Street Improvements as the Facilities Plan.

Resolution 09-037, Resolution Accepting Preliminary Engineering Report for Utility and Street Improvements as the Facilities Plan.

Motion by Berkner, second by Randleman to adopt Resolution 09-037, Resolution Accepting Preliminary Engineering Report for Utility and Street Improvements as the Facilities Plan. Estimated total cost is \$1,843,500.00.

Upon Roll Call Vote the following voted Aye: Anderson, Dorry, Meyer, Randleman, Cunningham, Berkner. Nay: None.

All in favor. 6-0. MCU.

Resolution Approving Work Order Agreement No. R09-00360-1 with Ulteig Engineers-Street and Utility Improvements.

Resolution 09-038, Resolution Approving Work Order Agreement No. R09-00360-1 with Ulteig Engineers-Street and Utility Improvements.

RECOGNITIONS/PRESENTATIONS/INTRODUCTIONS: (Cont.)

Motion by Cunningham, second by Berkner to adopt Resolution 09-038, Resolution Approving Work Order Agreement No. R09-00360-1 with Ulteig Engineers-Street and Utility Improvements.

Discussion and questions followed.

Upon Roll Call Vote the following voted Aye: Anderson, Dorry, Meyer, Randleman, Cunningham, Berkner. Nay: None.

All in favor. 6-0. MCU.

6.b.Presentation by OAHS Administrator Rick Ash and OAHS Chief Finance Officer Jim Foster. Rick Ash gave the monthly OAHS Report. He touched briefly on the building project. There has been a problem with water and mud on the lower level but rock has been hauled in to alleviate the situation. Some questions have arisen regarding what was included in the bid for asbestos removal but that will be resolved soon. The upper units are enclosed. A mock room is being built for the staff to review before the other rooms are finished. The payment process has been going well for construction proceed draws from the bond issues. The capital campaign is at \$1.8M out of a goal of \$2.2M. Employee pledges have now exceeded \$100,000 total. The Sanford pilot project utilizing in-touch robotics allowing hospital personnel to contact specialists is well received.

OAHS will look to the Federal Stimulus Package for funds to improve Healthcare Information Technology.

Resolution Approving 2008 OAHS Audit Results and Report to the Board of Directors.

OAHS Finance Officer Jim Foster reviewed this report with the Council. Auditor Larson Allen has created in-house "gold standard" which encompasses a number of different standards for Hospitals. OAHS has demonstrated excellent performance based upon industry standards. All the bonds were sold in a very tough market. Next year, the margins will not be as high as they were in 2008.

Resolution 09-039 Approving 2008 OAHS Audit Results and Report to the Board of Directors.

Motion by Dorry, second by Meyer to adopt Resolution 09-039 Approving 2008 OAHS Audit Results and Report to the Board of Directors .

Upon Roll Call Vote the following voted Aye: Anderson, Dorry, Meyer, Randleman, Cunningham, Berkner. Nay: None.

All in favor. 6-0. MCU.

Resolution Approving 2008 OAHS Financial Statements and Supplemental Schedules.

Jim Foster reviewed the 2008 Audit Report. OAHS received a clean and unqualified opinion from Auditors Larson Allen. The balance sheet total Assets and Equity increased by approximately \$2M between the end of 2007 and 2008. The excess revenue over expenses was \$2.2M in 2008 compared to \$1.4M in 2007. There was an operating margin of 12.4% and an overall margin of 14.3%. Both these ratios were improvements over the previous year. Cash on hand increased by approximately \$1M from the previous year. In addition, approximately \$1.3M was paid out as the early cost incurred for the hospital

RECOGNITIONS/PRESENTATIONS/INTRODUCTIONS: (Cont.)

rebuild project. Subsequent Events of Importance: Acquisition of Northside Medical Center and Utility Warrants Series 2008 & 2009 issued. Auditors reviewed the internal controls of the organization. Material weaknesses were found regarding internal control due to having a small organization that is unable to segregate all duties.

Resolution 09-040 Approving 2008 OAHs Financial Statements and Supplemental Schedules.

Motion by Randleman, second by Berkner to adopt Resolution 09-040 Approving 2008 OAHs Financial Statements and Supplemental Schedules.

Upon Roll Call Vote the following voted Aye: Anderson, Dorry, Meyer, Randleman, Cunningham, Berkner. Nay: None.

All in favor. 6-0. MCU.

Resolution Approving the Furniture, Fixture and Equipment Budget Allowing the Building Committee and Healthcare Board to Manage within the Budgeted Amounts.

Resolution 09-041 Approving the Furniture, Fixture and Equipment Budget Allowing the Building Committee and Healthcare Board to Manage within the Budgeted Amounts. The Budgeted amount is approximately \$2.5M.

Motion by Dorry, second by Randleman to adopt Resolution 09-041 Approving the Furniture, Fixture and Equipment Budget Allowing the Building Committee and Healthcare Board to Manage within the Budgeted Amounts.

Upon Roll Call Vote the following voted Aye: Anderson, Dorry, Meyer, Randleman, Cunningham, Berkner. Nay: None.

All in favor. 6-0. MCU.

CITIZENS TO BE HEARD:

7.a. Artie Arndt, representing the Big Stone Lake Area Chamber of Commerce asked for \$2500.00 to defray the costs for sponsoring a large concert at the foot of the lake on the Dike Road. The Chamber is working on another large concert this year, but at a lower cost than the \$60,000 of last year's budget. Black Hawk is the selected band. This year's budget is less at \$35,000. Last year, the City contributed \$5,000 but with the Local Government Aid cuts, funds are limited. Cunningham stated the EDA has \$1,000.00 set aside for tourism and could help with the City's share. The Chamber will be responsible for transporting the needed generators for the Concert.

Resolution 09-042 Approving Donation to Big Stone Lake Area Chamber of Commerce-\$1,500.00.

Motion by Berkner, second by Randleman to adopt Resolution 09-042 Approving Donation to Big Stone Lake Area Chamber of Commerce-\$1,500.00.

Upon Roll Call Vote the following voted Aye: Anderson, Dorry, Meyer, Randleman, Cunningham, Berkner. Nay: None.

All in favor. 6-0. MCU.

Artie Arndt also stated we need to decide what we are going to do this year with Lakeside Park as donations have been collected and playground equipment bought. It was noted

CITIZENS TO BE HEARD: (Cont.)

that the Budget Committee would meet in April to work on the 2010 budget.

7.b.Sarah Karels, Assistant Swimming Pool Director, stated that recent plans to change the city's budget by cutting pool expenditures should be reviewed. Changes to the budget regarding the Pool budget. Eliminating the 3rd session would save a net of only \$300 to \$400 as the proposed \$2,000.00 cut did not take into account \$1,600.00 of income.

Saving money by scheduling only 4 lifeguards: this is already happening. She stated the savings are not there. The suggestion to shorten swimming lessons from 3 weeks to 2 is already happening. The plan to combine the pool director with summer recreation director has not worked well in the past. She believes the pool director needs to be certified in order to train the pool employees. It was suggested that the swimming pool be closed some evenings but Sarah said this would reduce income and discourage participation. She also questioned the City's policy where there is a higher fee charged to pool users who are not city residents. She said determining who lives out of town is time consuming for the pool employees. She asked why the Golf Course and the Summer Recreation Departments don't collect extra fees from out of town customers. She asked to have the swimming pool budget items refigured. Clerk-Administrator Lang stated he would meet with Sarah to review the budget.

CONSENT AGENDA:

8.a. Approve Minutes of City Council Regular Meeting February 17, 2009

8.b. Approve Minutes of City Council Workshop Meeting February 17, 2009

8.c. Approve Lease for Lawful Gambling Activity-Let's Go Fishing at Headwaters Bar & Grill

Remove Item c.

Motion by Cunningham, second by Randleman to remove Item c. from the Consent Agenda and approve the Agenda as amended.

All in favor. 6-0. MCU.

Item 8.c. Lawful Gambling at Let's Go Fishing

Motion by Berkner, second by Dorry to table until the next meeting due to the uncertainty of the status of the lawful gambling lease of the same premises by the hockey association.

All in favor. 6-0. MCU.

REPORTS FROM COUNCIL COMMITTEES:

10.a. Economic Development Authority Report-John Cunningham

Fact Sheet on EDA and Community Development grant awards. Grant awards of \$556,000 exceeded the 2008 property tax levy of 534,420.

UNFINISHED BUSINESS:

11.a. 2009 Budget Amendments

The Council considered General Fund Expense Reductions as presented by Clerk-Administrator Lang. It was decided to exclude the pool budget amendments of \$9,549.00

UNFINISHED BUSINESS: (Cont.)

until the next Council meeting. \$53,451.00 in changes to the budget were considered. Dorry asked that the Golf Course reduce their budget as they are \$134,000 in the red.

Motion by Cunningham, second by Randleman to adopt 2009 General Fund Budget Reductions totaling \$53,451.00 Discussion and questions followed.

All in favor. 6-0. MCU.

11.b. Utility Committee Minutes-HRA has some concerns about the cul-de-sac and utilities with respect to the Trailhead Project.

NEW BUSINESS:

12.a. Approve Expenditures

Motion by Meyer, second by Cunningham to approve the expenditures as submitted

Roll Call: Anderson, Dorry, Meyer, Randleman, Cunningham. Nay: None. Abstain: Berkner. Motion Carried. 5-0-1.

12.b. Resolution Approving Support of Prairie Correctional Facility-Appleton

Discussion and questions followed

Resolution 09-043 Approving Support of Prairie Correctional Facility

Motion by Berkner, second by Randleman to adopt Resolution 09-043 Approving Support of Prairie Correctional Facility.

Upon Roll Call Vote the following voted Aye: Anderson, Dorry, Meyer, Randleman, Cunningham, Berkner. Nay: None.

All in favor. 6-0. MCU.

CITY CLERK-ADMINISTRATOR REPORTS & RECOMMENDATIONS:

13.a. Update: Small Cities Development Grant Program-19 Businesses eligible.

13.b. Update: Columbian Hotel-Demo and Construction work proceeding.

13.c. Ortonville TIF District Creation and Potential TIF Bond Issue-Meeting with Ehlers

13.d. Economic Stimulus Information

13.e. Capital Improvement Projects

13.f. Sanitary Sewer Forcemain Improvements along Big Stone Lake; Street and Utility Improvements on McCloud Street

13.g. Ortonville Community Development Update

13.h. Public Library Innovation Grant Update-Award Announcements-March 6 Awards.

13.i. Region 6W Economic and Community Development Professionals Meeting 03-06-09-Tour of Go Fasters in Ortonville.

13.j. Transportation Stimulus Projects for Greater Minnesota-Hwy 75 to Graceville

13.k. Accelerating Rate of Change-Technology Updates

13.l. Snow Removal Complaint-Windrow at Curb Downtown.

EXECUTIVE SESSION: (If Needed)

ADJOURNMENT:

Motion by Dorry, second by Anderson to adjourn at 8:46 PM.

All in favor. 6-0. MCU.

APPROVE:

ATTEST:

Blair Johnson
Mayor

David A. Lang
Clerk-Administrator