

Minutes

Kennedy City Council Meeting
July 11, 2011

CALL TO ORDER: Mayor Truedson called the meeting to order at 7:02 P.M. in the Kennedy City Office. Council Members present were Paul Larson, Kevin Hanson, Duane Peterson and Mary Ryden. Also present were Mary Cooney, Greg Mitziga and Richard Mortenson.

PLEDGE OF ALLEGIANCE: Recited.

ADDITIONS TO THE AGENDA: None.

APPROVAL OF MINUTES: D. Peterson made a motion to approve the minutes for April, May and June. M. Ryden seconded. Motion carried.

PUBLIC FORUM: Richard Mortenson offered his accounting services to the City, free of charge, to generate specific "Profit & Loss" financial reports he believes would better communicate the financial status of the City and the Go Green Project, as compared to the Kennedy Financial Reserve History the City is currently providing the public. He stated he does not feel he has received adequate financial information from the City to date, to make an informed decision on a vote regarding the continuation of the Go Green Center project. The Council thanked him for his offer, stated they would discuss it and get back to him. Mayor Truedson stated that, in his opinion, these reports would not change anything. Treasurer Cooney agreed, stating the City takes in approximately \$210,000/year and, since the beginning of the Go Green project in 2009, has been spending \$240,000 or more per year. The school generates between \$9,000-\$10,000/year in revenue and spends a minimum of \$36,000 in operating costs. That repeated, minimum, yearly loss of \$25,000⁺ is the reason the City's reserves are being depleted. The council agreed to decline Mortenson's offer. Mayor Truedson will notify him of council's decision. However, Clerk will add a monthly Profit & Loss report to the council's packet. And, information that is made available to the council, regarding profit and loss on the Go Green project and the city, will be provided to the public in an upcoming water bill.

CLERK'S REPORT: Clerk presented League of Minnesota Cities Insurance Trust (LMCIT) proposed insurance settlement of \$1,850.00 on the two stolen shop tables and vices. After the City's \$250.00 deductible, the City would receive a check for \$1,600.00. D. Peterson made a motion to accept the LMCIT claim as presented. K. Hanson seconded. Motion carried. Clerk presented council with packets of the four City Clerk applications. M. Cooney stated if the council would like her to stay on as clerk/treasurer, she had reconsidered and would be willing to do so. Council reviewed applications and, as no vote had previously been taken to accept Cooney's resignation, they discussed keeping Cooney in the position. D. Peterson made a motion to accept Cooney's offer to remain in the Kennedy City Clerk/Treasurer position. K. Hanson seconded. Motion carried. K. Hanson made a motion to accept the Clerks Report as presented. M. Ryden seconded. Motion carried.

TREASURER'S REPORT: City Financial Report was presented. The Baseball Fund increased by \$2,345.35, with \$545 for registration and uniforms and \$1,800 in donations for coaching fees. City is still short \$700 for the 2011 summer rec program. T. Truedson believes the remaining funds are forthcoming from the VFW, Kennedy Jaycees, Kittson Equipment, and Kenny Urbaniak. City received its first half of property taxes this week and made the second bi-annual interest payment on the water bond, as well as paid the Kennedy fire Department for 2011 fire protection contract. The revolving EDA loan fund was researched and per program administrator Francis (Butch) Koehmstedt, EDA revolving loan funds are only to be used for loans to program participants. No EDA revolving loan funds may be paid to the City of Kennedy for loan administrative fees and no money other than loan repayment money goes into that EDA account. County Auditor Marilyn Gustafson sent the City refinancing documents for the 1993/2004 Water Bond. With the execution of the refinancing agreement, the City of Kennedy will realize a \$10,112.87 savings in interest. The term of the loan won't change, so the City of Kennedy will make interest only payments from now until 1/1/2014. P. Larson made a motion to introduce a Resolution Approving Amendment to Joint Powers Agreements Relating to a Bond of Kittson Count (City of Kennedy). D. Peterson seconded. Motion carried. The 2010 Auditors Report was reviewed. The Net Change in the General Fund Balance for the City was a loss of \$52,237. The City's three 2010 revenue sources—water sales, property taxes, and Local Government Aid—generated \$72,279, \$68,926, and 68,874, respectively, and totaled \$210, 079. The School Building revenue was verified at \$9,912 and School Building Expenses, which were budgeted at \$6,000, were verified at \$57,343—of which \$32,810 was Operating Costs and \$21,533.00 was one-time project related expenses. The auditor recommends the City Treasurer gets additional training in accounting principles, reporting requirements, and in the Quick Books software now being used for the City's books. P. Larson made a motion to accept the Treasurer Report as presented. K. Hanson seconded. Motion carried.

MAINTENANCE REPORT: G. Mitziga is still working with Wikstrom's several mornings a week, marking water line locations. The city will continue to wait to do street cleaning until after Wikstrom's are done. T. Truedson will

speak with Wikstrom's about providing/paying for street cleaning services as a part of leaving the city "as they found it". A hydraulic hose went out on the 4430 tractor. While it was in for repair, G. Mitziga asked John Deere to perform a routine maintenance check on all hoses, etc. Maintenance including spraying rip-rap at the ponds and along the fence lines has been done. P. Larson and K. Hanson volunteered to spray for mosquitos on Tuesday, July 12, 2011, evening. B. Hultgren is working approximately 35 hours/week, just to keep up with mowing. We will have to find at least an additional \$800 to supplement payment for his summer employment. **K. Hanson made motion to accept Maintenance Report as presented. M. Ryden seconded. Motion carried.**

FIRE DEPARTMENT REPORT: The fire rescue vehicle grant money has been approved. EDA Rep. Andrew Gag requested a meeting with the Kennedy Fire Chief, Clerk/Treasurer, and Mayor on Monday at 1:00 PM, July 18, 2011. Mayor Truedson will not be available but will sign paperwork as soon as he is back in town. G. Mitziga will attend as a second fire department representative. FEMA flood money reimbursement paperwork was completed by G. Mitziga. The reimbursement amount appears to be around \$1,500. Mitziga also gave two FEMA representatives a tour of the flood area surrounding Kennedy. There were no fire calls during the previous month. **D. Peterson made a motion to accept the Fire Dept. Report as presented. K. Hanson seconded. Motion carried.**

SCHOOL COMMITTEE REPORT: Engineering reports provided by Martin Mechanical Design and R.D. Thomas & Asc. were included, in-full and in-part respectively, in this month's council packet. T. Truedson indicated that Martin's report regarding the geothermal system size should read 27 tons and not 16 tons. Council and staff took a small tour of the building's two north-south cold storage wings to observe the recent influx of mold growth. Council directed clerk to notify tenants, due to the extremely wet conditions this spring, the building is extremely humid and running fans in all rental storage areas is required. The turbine has stopped turning again. G. Mitziga has worked with Next Gen trouble-shooting the problem. It appears the hydraulic fluid is low again. There is no indication of where the fluid is going. Next Gen will be up to Kennedy to look at and repair the turbine; however, no specific date was set. D. Sjostrand hasn't yet provided the city with an exact price on insuring our turbine maintenance provider, although estimates at least \$300/year. With the possible \$500⁺/year actual maintenance cost, the \$644.40 for safety harnesses, etc., and the low return on the energy buy-back from the turbine, the council discussed postponing entering into a turbine maintenance contract at this time. **D. Peterson made a motion to put contracting turbine maintenance on hold. K. Hanson seconded. Motion carried.** M. Ryden discussed the importance of continuing to provide information to the public regarding the status of the school project. However, both Ryden and T. Truedson stated they saw no need for another public forum. Council directed clerk to include the engineering reports with this month's water bill, as a means to get pertinent project and building information to the public as it becomes available to the council. **M. Ryden made a motion to accept the School Committee Report as presented. D. Peterson seconded. Motion carried.**

UNFINISHED BUSINESS: Several city residents have witnessed rats, rat nests, rat tunnels, dead rats, skunks and evidence of skunks around the city. It was determined that action must be taken with respect to City Attorney Hane's "Protocol for Abatement of Hazardous Buildings for the City of Kennedy." Per item #3, "City Maintenance worker shall develop a list of building..." as defined in M.S.A. § 463.15, Subd. 3. G. Mitziga was asked to formulate this list prior to the next council meeting. Celebrate Kennedy is set to go, with the exception of a few more volunteers needed. K. Hanson and P. Larson were asked to organize 2 all-age teams for a 7:00 Friday night ball game. M. Ryden and D. Peterson were asked to volunteer at the 5K registration table on Saturday morning.

NEW BUSINESS: Per K. Hanson, Chris Swenson is interested in donating to the City land he owns in the City of Kennedy, located between the coulee and the alley that runs south from 5th Street to 4th Street. Council discussed transferring title and estimates the cost to be about \$350. No action was taken. Discussion was had about putting old city pick-up up for sale. No asking price was agreed upon. No motions were made and no vote was taken.

PAY BILLS: **K. Hanson made motion to pay the bills as presented. D. Peterson seconded. Motion carried.**

AUGUST MEETING DATE: The August meeting will be held on Monday, 8/ 8/2011, at 7 PM in the City Office.

There being no further business brought forward for the council's attention, **the meeting was adjourned at 10:00 PM by motion of D. Peterson, seconded by M. Ryden. Motion carried.**

Signed August 8, 2011
Mary Cooney, Clerk (Attest)

Signed August 8, 2011
Todd Truedson, Mayor