

City of Vernon Center  
Special Council Meeting  
6-14-22 @ 7pm

Council Present: Emily Edwards, Mayor Dana Ziegler, Eric Pederson, Lisa Peterson, Wendy Bennett  
Staff Present: PW Supervisor Mark Willette, Clerk Diane Roelofs  
Others Present: Engineers Chris Cavett & Chris Knutson, USDA-RD rep. Ed Gilmore, and by electronic  
Financial Advisor Shannon Sweeney

Mayor Dana Ziegler called the meeting to order at 7pm.

**Agenda:** Councilor Peterson made a motion to approve the agenda. 2<sup>nd</sup> by Councilor Pederson, all approved, motion carried.

Public Comment: none

**Infrastructure Project:** Mayor Ziegler explained the bid results showing the construction bids and the whole project as being \$5.198 million above the PER. He stated that PFA who handles the state bonding money told the city that all 4 of the projects in infrastructure project as stated in the state bonding language need to be fully funded. The city has 2 choices; they can provide a bill for legislative session to change the language dropping out projects to fit the funding to cover the bids or they can ask for more money.

MPCA: Councilor Peterson and Mayor Ziegler met with MPCA and they stated they would prioritize closing the collection system meaning that the street & utilities project should be first to consider. If the system is closed up, it may lower the phosphorus and increase the removal enough to meet the current permit. Both phosphorus levels and removals would be reviewed near the end of the permit cycle in 2 or 3yrs.

USDA-RD Ed Gilmore stated that RD is waiting to see if they receive an emergency waiver for the "Build American, Buy American" requirement of any bids after May 15<sup>th</sup> which will result in 5 to 10% increase in supplies. They would also submit requests to the National Office for funding if the city wants to ask for additional money.

BE County: Engineer Knutson discussed with BEC on June 8<sup>th</sup>. Based on the BEC's cost participation policy and the low bid on the project, their funding would increase to \$2,402,709 approximately \$700,000 higher than the PER. While the higher cost was generally acceptable, they would have difficulty covering the additional cost. They would prefer a rebid at this time and to put them toward the end of the project.

Ed Gilmore stated that if the city needed more funding of \$5.5 million the split of funding would be \$3.9 million loan and \$1.6 million grant, making the payments to approximately \$234,000. The current payments for principal are approximately \$105,000. Council was not in favor of the increase as the citizens are already paying high utilities and taxes. Mr. Gilmore reported that he had spoke with Terry Louwagie who said RD should cover all of the eligible engineering fees and expenses on the projects that would be dropped if language is changed.

**DEED Grant:** The city has until September to award bids and ask for an extension in order to utilize the \$580,000 grant from DEED. Mayor Ziegler asked if the DEED grant has to be tied in with the whole project or could the city do a smaller project to use the grant. SCDP thru DEED does require the Davis Bacon wage requirement. The engineers will meet with Mayor Ziegler, Councilor Lisa Peterson and staff to go over a possible smaller project. It will be a short window to get the plans and bidding out for a smaller project. Judd Schultz will be contacted to find out if DEED will allow a smaller project.



**Temporary Easements:** Council asked for more information about the easements in the 2015 Project and would like to the same procedures as done for the easements as far as assessing the costs back to individual property owners.

**Community Bank/Consolidated Communications vault:** Community Bank supplied a cost for installing the drive-over vault in their parking lot. This topic was tabled until further progress on the project.

**Budget:** Public works should provide a repair & maintenance budget for streets, water and sewer funds as if the city is doing the street project. Put costs together for upgrading of the WTP and WWTP. The room beside the WTP will need to be used for the WTP. Filtering options are being looked at to help with the WWTP to meet the phosphorus requirements. The manholes will need to be limped along and the 2 fire hydrants that do not work will need to be tagged as such.

The mayor stated that the city has to deal with things as them come. No one could have foreseen COVID and the issues of supply and demand as a result of it. If council can keep the payments of projects where they want, it should to help keep resident's costs down.

**Res. 2022-19 Approve an Interfund Loan:** The 410 20-23 Project will have remaining engineering and attorney expenses that will exhaust the current funds. Council reviewed the fund balances and decided that an amount of \$40,000 should come from the sewer user fees. Councilor Peterson made a motion to approve Res. 2022-19 for an interfund loan of \$40,000 from 602 Sewer User Fees at 2.5% interest. 2<sup>nd</sup> by Councilor Edwards, all approved, motion carried.


The parade people should be contacted to let them know there will not be construction this year.

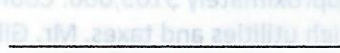
Engineer Karen Cavett should be contacted to see if the Water Tower Operations Manual has been completed.

**Next Meeting:** Monday, July 11, 2022

**Adjourn:** Councilor Pederson made a motion to adjourn at 8:14pm. 2<sup>nd</sup> by Councilor Peterson, all approved, motion carried.

Respectfully submitted by,

  
Diane Roelofs, Clerk-Treasurer

  
Dana Ziegler, Mayor

7-11-22  
Date Approved