

**MINUTES
CITY OF HECTOR
SPECIAL MEETING – 6:00 P.M.
DECEMBER 12, 2016**

Council Present: Mayor Steven Squibb, Ralph Bergsma, Doug Best, Jeff Heerd, and Penny Kandt.

Airport Advisory Committee Present: Chair David Kienitz, Ralph Bergsma, Jill Nezworski, Jerome Schueller, and Mike Skucius.

Staff Present: Kathy Blackwell, Jon Saunders, Brad Falteysek, Jerome Schueller, Karl Koford and Mary Johnson.

Also Present: Jeff Erickson, Ed Newberg, Connie Newberg, Nic Heiderscheidt, Sam Heiderscheidt, Cory Heiderscheidt, Terry Ahlbrecht, Todd Kramer, Rex Hammerback, Mona Ebner, Marty Lawson, Jason Lange, Pam Macik, Lyle Macik, Charles Melberg, Amy Hollan, Curt Hollan, Teri Hill, Dane Macik, Ryan Kramer, Harold Carstens, Gary Bipes, Steve Karnik, Don Olinger, Doug Schleusner, Taylor Newberg, Janis Weikle, Kurt Sandgren, Lori Carlson, Marlys Hagstrom, Penny Macik, Dave Nelson, Natalie Nelson, Doug Breikreutz, Nancy Mathiowetz, Dave Brateng, Ruth Hamilton, Dwight Swanson, Curt Sampson, Beate Reuber, Mike Jacoby, Joy Skucius and others that did not sign in.

Mayor Steven Squibb opened the joint special meeting with the Hector City Council and Hector Airport Advisory Committee at 6:00 p.m.

City Attorney Jon Saunders explained some background of the situation regarding the privately owned residential structure on the airport. Saunders reviewed the content of the letter from the FAA and the opinion provided by his office. Saunders noted that the city's concern is the potential loss of federal funding of the airport as a result of allowing the residence to remain on the airport. Saunders noted that the current project includes approximately \$245,000 of federal funds and future projects include over \$3 million dollars of federal funding.

Ed and Connie Newberg's attorney, Rex Hammerbank, stated that his clients would like to find a solution to the current situation that is acceptable to both parties, such as a lease with more formal terms and conditions. Hammerback shared information on other airports in Minnesota.

Mayor Squibb asked about the legal content of the existing lease. Both attorneys were in agreement that the existing lease is inadequate for both parties.

Mayor Squibb asked Ed Newberg what he wants as a resolution. Newberg stated that he wants to sell his spraying business to the Heiderscheidts, a 30 year lease on the residence, and include wording in the lease that addresses how to handle any future problems with federal funding that may result because of the house being located on the airport.

Mayor Squibb asked Ed Newberg if he is willing to cover the cost of any lost federal grant funds if the city allows the house to remain on the airport. Mayor Squibb expressed concern over having Hector taxpayers responsible for lost federal funds. Attorney Hammerback suggested that a draft lease be presented to Mr. Peek at the FAA for his opinion. Ed Newberg stated that he agrees to move the house off the airport at his cost if the FAA withholds or denies federal assistance of the Hector airport. Attorney Saunders agreed that the city would want a provision in the lease stating that Mr. Newberg will remove the house at his cost if the federal funds are jeopardized.

Mayor Squibb asked if it was possible the FAA would make the city pay back funds that have been provided in the past. Attorney Hammerback stated that he felt it was highly unlikely the FAA would do that.

MOTION by Jeff Heerdt, seconded by Doug Best and carried to have Attorney Saunders and Attorney Hammerback collectively work on a lease agreement for the residence on the airport and present a draft of the lease to Mr. Peek at the FAA for his review.

MOTION by Ralph Bergsma and seconded by Doug Best to close the meeting at 6:55 p.m.


Kathy L. Blackwell, City Clerk

**MINUTES
CITY OF HECTOR
REGULAR MEETING – 7:00 P.M.
DECEMBER 12, 2016**

Council Present: Mayor Steven Squibb, Ralph Bergsma, Doug Best, Jeff Heerd, and Penny Kandt.

Staff Present: Kathy Blackwell, Brad Falteysek, Jerome Schueller and Mary Johnson.

Also Present: Ed Newberg, Connie Newberg, Nic Heiderscheidt, Sam Heiderscheidt, Todd Kramer, Mona Ebner, Marty Lawson, Jason Lange, Pam Macik, Lyle Macik, Charles Melberg, Amy Hollan, Curt Hollan, Teri Hill, Dane Macik, Ryan Kramer, Steve Karnik, Don Olinger, Doug Schleusner, Janis Weikle, Kurt Sandgren, Lori Carlson, Marlys Hagstrom, Penny Macik, Dave Nelson, Natalie Nelson, Doug Breitzkreutz, Nancy Mathiowetz, Dave Brateng, Ruth Hamilton, Dwight Swanson, Mike Jacoby, and Joy Skucius.

Mayor Steven Squibb opened the truth in taxation hearing and regular meeting at 7:03 p.m. following the pledge of allegiance.

MOTION by Ralph Bergsma, seconded by Penny Kandt and carried unanimously to approve the agenda with the addition of a discussion on traffic safety on TH 212 by the Dollar General store.

LEVY/BUDGET - Brad Falteysek presented information on the proposed 2017 levy and budget. The preliminary levy included a 7% increase. The final levy includes a 5.3% increase. Of the 5.3% increase, 3% accounts for debt service for the infrastructure improvements and the remaining 2.3% is a general levy increase. There were no questions from the council or residents on the 2017 proposed levy or budget.

MOTION by Jeff Heerd, seconded by Doug Best and carried unanimously to approve the consent agenda.

MOTION by Doug Best, seconded by Ralph Bergsma and carried to approve Resolution 2016-32 Final Levy and Resolution 2016-23 Final Budget.

PROJECTS – City Engineer Clifton Allen presented a summary of the projects, pending pay requests and change orders.

General Construction is done with the water tower with the exception of a few punch list items. There is a pending change order to extend the completion date.

Quam Construction has Pay request #11 in the amount of \$289,084.83 pending, Change Order #11 in the amount of \$7,113.42 Change Order #14 in the amount of \$1,586.00, . There are also five pay requests pending on this project.

Hjerpe is complete with the CSAH 34 project and Pay Request #7 in the amount of \$51,727.15 is pending, less the retainage.

Gridor has two pending change orders on the waste water plant.

MOTION by Penny Kandt, seconded by Ralph Bergsma and carried unanimously to approve the pending pay requests as underlined above, pending approval from Rural Development.

WATER BILL – Ruth Hamilton asked that the city look into her most recent water bill. Clerk Blackwell agreed to review the meter readings and usage.

MOTION by Doug Best, seconded by Ralph Bergsma and carried unanimously to approve Resolution 2016-34 Equipment Rates and Resolution 2016-35 City Authorization.

AIRPORT – The council reviewed the snow removal cost analysis. Councilor Bergsma reviewed the analysis and options. MOTION by Ralph Bergsma, seconded by Jeff Heerd and carried unanimously to continue having Ed Newberg or his employees complete snow removal and city staff is available to assist them if needed. It was noted that next season bids should be requested and a new contract put into place.

MOTION by Doug Best, seconded by Ralph Bergsma and carried unanimously to approve the hiring of the following persons to serve on the Fire Department: Andrew Wakefield, Taylor Brodious, Cory Danielson, Ben Ahlbrect, Seth Pierce, and Leon Lunbert.

FIRE – The new truck is now in service.

EDA – Board member Penny Macik noted that the new manager at Prairie View is making positive changes at the facility. Mayor Squibb noted that the EDA continues to research the RFP (Request for Proposal) process to sell Prairie View.

CEMETERY – Councilor Heerd stated that the committee is meeting and will see a demonstration of cemetery record software.

POLICE – Chief Best reported that the Unforgettable Christmas event was a success. Best stated he will be getting bids on a new squad car computer. Tickets will be given for obstructing snow removal. A warning is given the first event, then citations issued.

MAINTENANCE – There were no questions on Jerome's or Mike's reports.

MOTION by Jeff Heerd, seconded by Doug Best and carried unanimously to not waive the monetary limits on municipal tort liability established by MN Statutes Section 466.04.

MOTION by Doug Best, seconded by Ralph Bergsma and carried unanimously to accept the three-year proposal from CDS for auditing services for years 2016, 2017 and 2018. A second proposal was submitted by KDV.

MOTION by Penny Kandt, seconded by Doug Best and carried unanimously to adopt Resolution 2016-37 for the Rural Development loan in the amount of \$1,363,000.

MOTION by Doug Best, seconded by Jeff Heerdt and carried unanimously to adopt Resolution 2016-38 for the Rural Development loan in the amount of \$6,943,000.

MOTION by Doug Best, seconded by Ralph Bergsma and carried unanimously to approve the garbage bag agreement with ACTS for 2017 at the same rate as in 2016.

MOTION by Doug Best, seconded by Ralph Bergsma and carried unanimously to increase water and sewer rates as follows effective January 1, 2017:

Water Base increased from \$10.20/month to \$12.00/month

Sewer Base increased from \$12.12/month to \$14.00/month

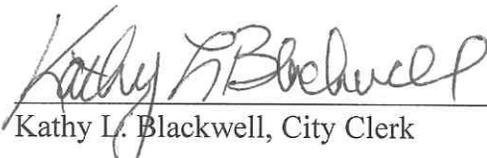
Rural Water Base increased from \$22.11/month to \$24.00/month

MOTION by Jeff Heerdt, seconded by Ralph Bergsma and carried unanimously to approve Resolution 2016-39 Adopting Post Issuance Debt Compliance Policy and Procedures.

MOTION by Ralph Bergsma, seconded by Doug Best and carried unanimously to adopt Resolution 2016-31 setting City Charges and Fees.

TRAFFIC CONCERN - Jeff Heerdt suggest the city contact MnDOT about adding turn lanes on TH 212 by the Dollar General store.

MOTION by Ralph Bergsma and seconded by Doug Best to adjourn the meeting at 8:09 p.m.


Kathy L. Blackwell, City Clerk