

The Milnor City Council convened for a special meeting at the Milnor Community Center at 5:00 p.m., Thursday, November 14, 2019. Council members present: Curtis Anderson, Merrill Decker, Charles Faber, Monty Haugen, Eric Hoff and Nannette Severson. Also present: Carol Peterson, City Attorney LeeAnn Even, Nathan Berseth, Greta Buskohl, Jeanne McCauley, Mary Engst, Ryan Smith, Terry Dusek and Jennie Hanna.

Mayor Terry Dusek called the meeting order.

Mayor Dusek informed the council the repair work on Old Highway 13 had been done by the Sundale Colony and was complete. He presented the invoices for the work, which included the cost of 336 tons of rock at \$15/ton and \$875 for excavator work. Carol Peterson stated she had been in contact with Wendy Willprecht regarding the project, in order to find out if it qualified for state emergency aid. Peterson was informed that it needed to be an emergency situation to qualify, and the council agreed that the cause of the road erosion was caused by high water, due to the large amount of rain over spring and summer and to the golf course drain being plugged.

Motion to approve paying the Sundale Colony for the rock and work done to repair Old Highway 13 (Anderson/Haugen, unanimous).

Carol Peterson discussed the Shop Local promotion she had been working on. She had printed the gift bucks on heavier paper and would have the school laminate them. She was proposing a weekly drawing through December, with each drawing taking place at noon on Wednesdays, at the city office. She was hoping to have each business in town participate. To qualify, each customer would have to make a minimum purchase of \$25 in order to enter their name. Each business would provide their own bucket. Peterson would collect the names each week for the drawing. She thought a higher denomination of \$25 for the gift bucks would be a better idea than smaller denominations. The bucks would have no cash value, and no change would be offered back. Member Hoff questioned if there were other ways to conduct the promotion, possibly electronically. Peterson stated she had looked into it, but it would be more expensive. The promotion she was proposing would have a budget of \$475, which would be paid by the city.

Motion to approve the Shop Local promotion and the proposed budget of \$475, paid by the city (Severson/Hoff, unanimous).

Mayor Dusek presented, to the council, copies of the Sale & Purchase Agreement that had been prepared for the city's possible purchase of the Milnor grocery store. The city would be offering \$45,000 for the property and agree to pay the mechanic's lien of \$4803.17. Dusek stated there is a party interested in taking over the store. Nathan Berseth explained if the city proceeded with the agreement, it would be sent to the lead lender along with \$1000 earnest money, then it would go on to the Small Business Association (SBA) for a decision. Berseth said it would take about 10 days to receive an answer from the SBA. He cautioned that if the SBA does approve the agreement, the store may have to close for a while during the transition.

Member Anderson asked Berseth what the odds were the SBA would approve the agreement. Berseth said there are many factors in the city's favor, and he felt fairly confident the SBA would approve it.

Mayor Dusek stated the money for the sale would come out of the Sebens Fund, and the sale would not include current store inventory. He discussed the repair work that would need to be done on the freezers, and he said he had been quoted about \$1000 per door for repairs. Nathan Berseth said the possible entity interested would have certain demands regarding rent and possible purchase. Berseth said they would want to pay little to no rent right away to establish the business and would have to have the option to

purchase the building at the end of the rental agreement. Member Faber questioned whether there were any other liens on the building besides the mechanic's lien. LeeAnn Even said she had looked up the property, and that was the only lien attached. Mayor Dusek also said as part of the agreement, the city was not obligated to pay past due property taxes.

Motion to approve proceeding with the Sale and Purchase Agreement of 312 5<sup>th</sup> Avenue, a/k/a Lots 19-20-21-22, Block 21, Original Addition, City of Milnor, North Dakota (Parcel # 25-7428000) for \$45,000 and to pay the mechanic's lien of \$4803.17 (Severson/Haugen, with a roll call vote taken with all members voting aye, no nays. Motion passed).

Carol Peterson discussed the Main Street grant application she had been working on for Transportation Alternatives (TA) 2022. She had talked with the planner from Interstate Engineering, and he had come to Milnor and measured and taken pictures of Main Street. He had told Peterson the state is looking for changes and updates to Main Streets, not just replacing what's already there. He advised Peterson the city will not receive the grant without including improvements like bump-outs, parklets, planting boxes, etc. Peterson stated this would be a 2-phase project, and the past estimated total cost for Phase 1 had been about \$317,000. The grant has a maximum award of \$200,000, so the city would be responsible for the remaining costs, if awarded the grant. Mayor Dusek stated there are different options available to help the city pay their portion of the cost, such as a foundation grant or getting a 2% loan from the Bank of North Dakota, and the city would have time to come up with a plan, since the grant is for 2022.

Ryan Smith expressed concern regarding the bump-outs proposed, since they would cover the current storm drains on Main Street, and it would affect water drainage. Member Faber stated businesses would be affected during the sidewalk replacement, as well.

Motion to have Carol Peterson proceed with the grant application for Transportation Alternatives 2022 and to have Kent Thoreson provide updated costs (Faber/Haugen, unanimous).

Motion to adjourn (Severson/Anderson, unanimous).

Jennie Hanna, Auditor

Terry Dusek, Mayor