

BALDWIN TOWNSHIP REGULAR MEETING

October 15, 2013

Present – Supervisors Jay Swanson, Kim Good, Larry Handshoe, Tom Rush and Randy Atwood.

Call to Order – The October 15, 2013 regular meeting of Baldwin Township was called to order by Chairman Jay Swanson at 7:00 p.m.

Pledge of Allegiance – All present recited the Pledge of Allegiance.

Additions/Corrections to Agenda

- Revise/Approve/Disapprove Park Sign under Old Business
- Approve/Disapprove Ordering 14 EMS Signs under Old Business
- Move 'Discuss Town Hall Roofs' to under Variances
- Add Approve/Disapprove Planning Commission Applicant

Approval of Regular Meeting Agenda With/Without Additions/Corrections – Handshoe/Rush unanimous to approve the regular meeting agenda as amended.

Treasurer's Report:

October 2013 Preliminary Treasurer's Report – The clerk reported receipts of \$4,631.48 and disbursements of \$21,593.60 check numbers 17832 through 17850 and 2 EFT payments leaving an unaudited balance of \$414,626.18.

Road Report – Handshoe reported that all the ditch mowing was done in 28 hours with the rest of the 40 hours allowed used at the park. The plow trucks are almost ready to go. A new 3,000 psi pressure washer was purchased. At no cost, Titan Machinery is bringing out a bobcat for a demo. A guard on the culvert has been placed at Sandy Lake. The shoes on one of the plows are bad. It will be taken, along with the equipment trailer, to get a cost estimate for repairs.

Approval of Consent Agenda – Rush/Handshoe unanimous to approve two sets of the Town Board meeting minutes of October 1, 2013.

Open Forum for Citizens - It was confirmed there is poison ivy along the trail, under the benches and around the bike rack by County Road 19 at Young Park.

CONDITIONAL & INTERIM USE PERMITS: None.

PLATS: None.

VARIANCES: None.

Discuss Town Hall Roofs – Township attorney Bob Ruppe was present. He explained that the claim was made under the township insurance trust property insurance. The insurance company agreed to cover the claim. The confusion was due to the township adjuster stating that quotes were not necessary for authorizing the work. The interpretation of Supervisor Good was that no quotes were required. The confusion was did MATIT insurance need any quotes and the answer was no. We did confirm that with the insurance company. It was interpreted by Supervisor Good that no quotes were necessary under the Municipal Contracting Law. Anything over \$100,000 is required to obtain sealed bids. In this case, quotes were not obtained for the town hall, fire hall and other buildings. When this was brought to Ruppe's attention he asked Chairman Swanson to stop the contractor as there was no contract. Since that time quotes were submitted. The work has been completed on the town hall and fire hall and they were the lowest quotes. The highest quote is \$42,442.34 for the maintenance shed. All within the \$25,000-\$75,000 range. The work has already been done by Glenn Roofing for two buildings. Under Minnesota law the township is obligated to reimburse them for their cost even though there was no contract. He has not heard any complaints regarding the work that has been performed. His recommendation would be to authorize payment to the contractor.

What would have triggered is the need to follow the Municipal Contracting Law as funds funnel through the township. The township should authorize payment not to exceed the insurance company proceeds. With regard to the work that has been stopped, the maintenance building, salt shed and park shed, the township could bid but are not legally obligated to do so. On each of these projects Glenn Roofing is substantially cheaper than the Home Improvement Shop. With regard to the work going forward he would recommend entering into a contract with Glenn Roofing for the maintenance, salt and park shed. Ruppe provided a draft agreement to the board and recommends approving contingent on attorney review. He would ask that a board member be delegated to finalize the contract with his office. This is an unfortunate incident and this matter will not happen again. It is relatively minor in regard to the amounts involved. He recommends to always seek to obtain quotes. This did not happen and it should have.

Swanson questioned if the board authorized payment for the work done what does the township do with warranties, claims, etc.? Ruppe replied that it is not so much of a warranty claim as a damage claim and the township would still be able to get the roof fixed even if another contractor was called in. Swanson questioned if enforcement would take litigation with Ruppe replying that most contractors will want to keep their reputation and good name. Swanson stated that is all the more reason to have a contract in place at the start. Ruppe stated that the contract needs to be authorized by the board or someone delegated by the board. Absent that delegation none of the board individually has the power to enter into a contract.

The board reviewed a contract for roofing services that Ruppe suggested using. Swanson stated that a contract is needed for moving forward. Ruppe stated that two motions are needed. One authorizing payment in an amount not to exceed what the

insurance company is paying and another for the contract to go forward. The township has received two quotes for the remaining buildings: maintenance, salt and park buildings.

Upon review of the contract for roofing services provided by Ruppe, discussion was held regarding the warranty section with Ruppe suggesting that the board delegate the authority to one of the supervisors to finalize the agreement. Swanson questioned if the board would have to revisit the quoting process if there are any change orders. Ruppe replied no if it is still below the threshold.

Swanson stated that there was a change in the park building contractor with Ruppe stating the mistake was made by the contractor. Swanson questioned if that will be between the contractor and township and not the contractor and insurance company. Ruppe replied that it would be a three-way discussion. Swanson stated that the proposed contract has verbiage that does not allow what the township insurance company agrees to and, unless we have a change order in writing, they are not just going to commence. Ruppe suggested contacting the insurance company and ask what the budget is. The clerk does not have the information from what the insurance company has offered. Swanson stated that the board needs to know even if these quotes are reasonable. Supervisor Good then sent the information from her iPad to the other board members and clerk iPads.

Rush stated that it was discussed about remodeling or adding on to the park building and he would hate to see a new roof. Ruppe suggested holding onto the money until it is known what the building ultimately would look like. The clerk received a check from the insurance company in the amount of \$34,256; however she does not know what it covers. Good stated that it covers only 75% of the actual cost until the work is done. Ruppe stated that the township could ask the insurance company if there was a way to do it and what would they cover. It may come down to the fact that they will pay, but not the full amount. The board may want to delegate a supervisor to work with him on it.

Swanson stated that the township, once it had seen the adjuster summary, had plenty of time to deal with this. There was no hurry. As the remaining board members are seeing this for the first time obviously Glenn Roofing has been dealing with the insurance company. His question of the process of going out for quotes was did another roofing company have the insurance information also? Ruppe replied that he could reply as he was not the one who contacted them. Ultimately it is saving money for the insurance company and not the township as the township is not going to pocket the difference. Swanson questioned if the scrap could be used for the township's own use. Ruppe replied that the insurance company may pay the township less due to the scrap money. But, they may allow the township to keep it. It would be wise to check with them first by having them send a confirming memo or email only.

Swanson stated that he would like to start out with a warranty of at least 2 years and a 20 year warranty on materials. Ruppe stated that we need to first find out what the

material is and what is the warranty as the township wants the longest warranty that it can get.

Atwood questioned if there was any way for him to be removed from the whole discussion as he does not want his name associated with any of this. He has a huge problem with this. We sidestepped so many normal procedures and he does not want his name associated with any of it. He understands that we need to try to fix it from where it is at now. Ruppe stated that he does have the right to abstain from voting.

Good motioned to have Swanson work with Ruppe on this contract. Ruppe stated that there needs to be two motions:

1. Authorizing payment for Glenn Roofing for work on the town hall and fire hall in an amount not to exceed insurance claim proceeds, and;
2. Enter into a contract with Glenn Roofing for salt shed, maintenance shed and park shed contingent on a response from insurance company on whether we can pocket money for park shed claim.

The township would rather see a cash settlement and leave the roof as is. Swanson stated that the township may be stuck at this point with replacing the roof. Ruppe replied that it goes back to coverage. The prudent course of action is to preserve the building and fix the problem now, as it is not that much money and then figure out what you want to do in the future. Swanson stated that his fear is on the work already done and what the warranty is as it may entail litigation to enforce it. Ruppe agreed and said it was not ideal and the prudent course of action would be to authorize payment for the work performed and, if it leaks or not work, get in touch with Glenn Roofing and if they will not do anything, then litigation would be the course of action. Swanson stated that he is not sure of what work they have gotten done. Ruppe suggested again that the board authorize payment contingent on the work being done and proceeds from the insurance company. Swanson would like to add that the work be passed by the building inspector. Swanson stated that a motion is needed to approve the contractor for the work that has already been done. There is a motion on the floor.

Good rescinded her motion.

Handshoe/Good motion to allow payment for work already performed by Glenn Roofing with contingencies as noted above. Atwood stated he would like to explain his reason for abstaining. He went back in the minutes and found approve/disapprove meeting with adjuster for hail damage and that is what he voted on. He does not recall ever voting on having a contractor replace the roofs. There are a few things that raise a red flag for him that should have never been done. We should never be having this meeting with the attorney and attorney fees. This is insane. And to get two quotes dated Saturday and Sunday when we pulled the contractor off Thursday of Friday. He has a problem with that. He has a problem with quotes from the Home Improvement Shop for a commercial building for a steel roof. He would like to see quotes from any of the steel building contractors in the area. No offense to Home Improvement Shop but he does not see them as a roofing company for large commercial sized buildings. He has a hard time putting his name on any of this stuff tonight because it should have never, ever

gotten this far. To spend that much money without the board even seeing or looking at it is insane. We bought a tractor and it came to the board. When the fire department boat was stolen he came to the board asking what the board wanted to do. Everything we have done, even that door, had approval. So how does a roof get put on without the board even seeing it? We know nothing of the contractor, we know nothing of the quality of the material, and we know nothing of the warranty or contractor references. He has a really hard time putting his name on this. He doesn't want anyone to think he had anything to do with this. He only approved to have the insurance adjuster check for damage. We have to try to rectify this. He only remembers authorizing talking to an adjuster and finding out the damage. That is the extent of his involvement and now to find out that it is almost completed before we pulled them off it is complete baloney. He understands that Ruppe is here and we have to try to rectify it. He only remembers authorizing talking to an adjuster and now the board has been put in an unfortunate position to try to clean this mess up.

Rush stated that biggest thing was communication. He believes the intentions were good but he does not like being blindsided. He is getting calls from residents. Everything should go in front of the board. There are a lot of questions about getting official quotes, the contract and now the attorney is here. Ruppe stated that it is not ideal and it should not have happened. This is not what the board voted on. It is not right but the township is now in the situation and work was performed and he does believe that the court would give them the value of what they have provided to the township. Atwood stated that, as a board member, it is frustrating because when this issue came up he had mentioned that he would hate to see that the guy who mentioned that we had damage getting the business just because he was the one who mentioned we had damage. That is why we have an open process to get those quotes. And that is what is frustrating to him is that this happened exactly the way he did not want it to happen. Ruppe stated that it should not happen this way in the future. You have to follow the Municipal Contracting laws. He understands that there was a miscommunication with the insurance company. If in doubt, contact his office, send an email. Kim and he have had this chat and she understands the issues. It was an unfortunate mistake and will not happen again. She is sorry to the board, the residents and the contractor.

Swanson stated that his sentiments are the same. He did not know that this was going on and was blindsided. We need to get the township beyond this unfortunate situation. He has worked very hard to keep everything transparent, above board and play by the rules and moving forward we have to continue this. He would also like to, in the near future, revisit our expenditures, how they happen and what is available for each supervisor, on an emergency basis, what is available to spend.

Swanson reiterated the motion to agree to pay Glenn Roofing the cost of the work they have done so far according to the insurance company says it is worth. Ruppe stated that basically it is a pass through. Once they have passed inspection and all other issues that have been laid out then the check will be issued. Upon voice vote, the motion carried.

Rush/Handshoe motion to approve a contract for roofing services with Glenn Roofing contingent upon satisfactory contract language and with Swanson delegated with authority to finalize the contract. The township does have two quotes. Discussion regarding the warranty section of the contract. Swanson stated that if the contract goes into negotiations, then it will come back to the town board. Ruppe questioned if the park shed would be included. Swanson made a friendly amendment, which was accepted by both Rush and Handshoe, it would be included unless we can find out from the insurance company that we can exclude it. Ruppe will check with the insurance trust. Motion carried. Ruppe will contact Glenn Roofing and their attorney as well.

OLD BUSINESS:

County Planning & Zoning Report – Bryan Lawrence reported that 1000 Acres and the Angstmann property were both approved for plat extensions. The Verizon tower on County Road 4 and County Road 1 has been tabled twice. There is no township haul road agreement with Hardrives, and the whole planning commission agreed they are not to use township roads. Zimmerman has an IUP for a sod installation business. This month Haven is coming in with a simple plat.

Baldwin Planning Commission Update – Atwood reported that the ordinance changing the description of a quorum is not yet ready for approval by the board. The survey is close to being mailed out.

Applicant for Planning Commission – Good/Handshoe unanimous to approve appointing Terry Carlile to the Baldwin Planning Commission.

Approve/Disapprove Planning Commission Bylaw/Ordinance Change – Atwood/Rush unanimous to table until the November 4th meeting.

Approve/Disapprove Submittal of an Amendment to the Elk River Watershed Association – Bill Bronder, Sherburne SWCD, was present. Handshoe/Rush unanimous to approve amending the contract for the cost share assistance with the Elk River Watershed Association. The cost share amount is increased to \$12,691.55 from \$7,775.30 not to exceed 75% of the actual cost of the installation of eligible stormwater control practices. The increase is based on the cost from the accepted bid for the project – not an estimate.

Open/Review/Approve/Disapprove Young Park Boardwalk Quotes – Handshoe/Good unanimous to table until November 4, 2013.

Approve/Disapprove Going Forward with 100th Street Project – Handshoe/Swanson unanimous to approve going forward with engineering and preliminary work for the full two (2) miles of the 100th Street project.

Approve/Disapprove Park Rules Sign – After revisiting the language on the park rules sign, Rush/Handshoe unanimous to table until the November 4, 2013 meeting in order for the Park Committee to further discuss changes.

Approve/Disapprove 14 EMS Signs – Good/Handshoe unanimous to approve the purchase of 14 EMS signs for a total of \$181.30.

TABLED ITEMS:

J. Ryan Request for Construction Status – Handshoe reported that the work by DRT Biosolids is less than 50% complete. The clerk will fax the information to the bonding company.

NEW BUSINESS:

Approve/Disapprove Special Fuel Dealer License Renewal & \$25.00 Fee – Handshoe/Rush unanimous to approve the renewal of the Special Fuel Dealer License for a cost of \$25.00.

Discuss/Approve/Disapprove Elk Point Parking Ordinance – Good reported that the Baldwin Parking Ordinance already addresses this issue. It is suggested to have a copy of the ordinance in the trucks since this is a significant issue in the winter months.

Discuss Town Hall Roofs – See above.

Announcements:

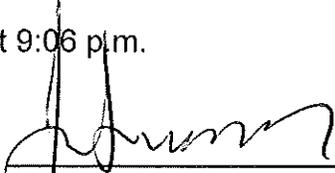
- Mat Quarterly Meeting, Wednesday, October 16th, Livonia Town Hall
- Closed Employee Meeting, Tuesday October 22 at 7:00 p.m.

Any Other Business: None.

Motion to Approve Bills for Payment – Handshoe/Good unanimous to approve for payment check numbers 17832 through 17850 and 2 EFT payments totaling \$21,593.60.

Adjourn – Good/Rush unanimous to adjourn at 9:06 p.m.


Submitted By: (s/) Cathy Stevens
Clerk/Treasurer
Baldwin Township


Approved By: (s/) Jay Swanson
Chairman, Board of Supervisors
Baldwin Township
11-4-2013
Date

Attendees: Bill Bronder, Lester Kriesel, Audrey Misiura, Mike Rademacher, Jim Buell, Scott Case, Gary Taylor, Steve Conklin, Bryan Lawrence, Robin Fischer, Travis Carlson, Elaine Philippi, Gary Kubiszewski, Dillon Kubiszewski, Chuck Nagle, Jon Bogart, Bob Ruppe