

CITY OF BERTHA
REGULAR MEETING OF THE CITY OF BERTHA
HELD AT THE BERTHA COMMUNITY CENTER
MONDAY, August 12, 2013

Members Present: Mayor Klebs, Councilmembers Zimmerman, Liemandt, Olson & Hammond

Staff Present: Clerk Umland, Police Berndt & Public Works Templin

Guest Present: Pete Wallner, Marv Stokes, Job Oyster, Keith Porter, Joann Collins

Declaring a quorum, Mayor Klebs called the meeting to order at 7:01 p.m. and the citizens recited the Pledge of Allegiance.

Note: The Consent Agenda listed those items of business which are considered to be routine and/or which need no discussion. Consent items are acted upon by one motion. If discussion is desired by council, that item may be moved to an appropriate section of the regular agenda for discussion.

Motion by Zimmerman, seconded by Hammond, and passed by unanimous vote to approve the consent agenda **as amended, adding Item 3J Resolution 2013-26.**

- A.** Approval of the July 8, 2013 Regular Meeting Minutes
- B.** Reviewed July Financial Reports-Investments & Bank Statement
- C.** Approved Zoning (building) Permit 2013-05 – Gene Captain – Lean to
- D.** Approval of advertising in the Independent News Herald for sponsorship and support of the Bertha-Hewitt School Calendar and Photo Page at a cost of \$240.00 per year.
- E.** Approve 2014 Agreement with Todd County for Prosecution Services with an annual fee of \$675.
- F.** Approving Resolution 2013-22 to certify additional assessments to the Bertha Authority Water Improvement Project – Parcel #29-4005900-\$15,200.36 & Parcel #29-0011702-\$4,342.96.
- G.** Approved Resolution 2013-23 certification of unpaid grass mowing charges to property owners' 2014 property taxes. Clerk Umland pointed out that only two parcels were involved in these assessments and the total amount of \$70.00.
- H.** A letter of resignation was read by Mayor Klebs to the City Council which was received from Council Member Liemandt effective August 12, 2013. Approved **Resolution 2013-24** accepting the resignation of Council Member Liemandt, expressing the city's appreciation for her service, declaring a vacancy, and ordering the council to appoint a qualified person to fill the vacancy of the council.
- I.** Approved Zoning (building) Permit 2013-06 –Angie Templin – 32X40 garage
- J.** The collection of special assessment for street improvements in the City of Bertha on a parcel forfeited for taxes is required to be paid to the city after the parcel is returned to private ownership. The street assessment at 102 1st Ave SE was canceled because of delinquent taxes and now has to be recertified to the county auditor. **Approved** Resolution 2013-26 to recertify Parcel #29-0006900 street assessment to the Bertha Authority Water Improvement Project List that was certified in 2012. The amount specially assessed is hereby declared to be \$2,386.50 or a yearly payment of \$116.12 for 30 years.

4. Bills Payable

Motion by Council Member Hammond, seconded by Member Olson to approve July Disbursements & Check #13623 –Midwest Machinery - \$172.96 and Authorized Issuance in accordance with list provided. Carried. Member Liemandt abstained due to conflict of interest.

5. Public Comment

No was in attendance to address the council.

6. Consider Business Items

A. Joeb Oyster, Moore Engineering Inc., presented the council with the next pay request.

Approval of Pay Request #19 which includes the following payments;

Mr. Oyster explained that the Maguire Iron has requested a time extension of 12 days, which would push back substantial completion to the last day in July and final completion to August 11, 2013, due to unforeseeable weather conditions. Motion by Zimmerman, seconded by Member Hammond approving -Partial Payment #6 in the amount of \$26,600.00 to Maguire Iron, Inc., for labor and materials, Change Order #2 requesting the substantial completion (7/19/2013) and final completion(8/11/2013) contingent on USDA signing.

Motion by Hammond, seconded by Member Olson approving Partial Payment #10 in the amount of \$8,672.35 to Eagle Construction, Inc., for labor and materials plus certificate of substantial completion date of 7/18/2013 contingent upon USDA signing.

Motion by Zimmerman, seconded by Member Olson approving – Partial Payment #12 in the amount of \$58,940.89 to Wagner Construction, Inc., for labor and materials, Change Order #8 increased \$7,280.67 to the contract with Wagner Construction, Inc., see change order for more details, plus approved certificate of substantial completion less turf establishment contingent on USDA signing.

Motion by Hammond, seconded by Member Olson approving Partial Payment #9 in the amount of \$11,879.00 to Blombeck Construction, Inc., for labor and materials, Change Order #2 increased \$4,414.95 to the contract with Blombeck Construction, Inc. see change order for more details, plus approved the certificate of substantial completion date of July 18, 2013 contingent on USDA signing.

Partial Payment #13 in the amount of \$3,370.60 to Moore Engineering, Inc., for engineering and basic services was approved by a motion by Zimmerman, and seconded by Member Hammond pending signing by USDA.

The project is entering its final phase with the engineer working closely with City staff and the sub-contractors to insure that the restoration work meets the quality and specifications within the contract. Mayor Klebs thanked everyone, especially the property owners living along the project area, for their patience during the construction period. The schedule is to have all of the substantial work completed by the end of August.

The City of Bertha has determined to accept the offer of the USDA to purchase a long-term definitive revenue bond for the purpose of financing the Bertha Authority Improvement Project by reimbursing the City for costs previously incurred and paid. The Bond Purchase and Project Loan Agreement are for \$3,639,000.00 and will be repaid over 40 years at a rate of 2.75%. Council member Hammond introduced and moved for the adoption of Resolution 2013-21 accepting the offer of United States of America to purchase a \$3,639,000 General Obligation Water & Sewer Revenue Bond, Series 2013, providing for its issuance and authorizing execution of Bond Purchase and Project Loan Agreement. Council Member Olson seconded the motion for its adoption. On roll call : All member voted aye. No one voted nay. Motion passed unanimously and resolution was declared duly adopted. (A complete text of this resolution is part of permanent record in the City Clerk's Office.)

B. 2012 Audit Presentation

Keith Porter, auditor from the office of Mayer, Porter & Nelson, Ltd., presented the City of Bertha financial report for the year 2012 to the council. Porters' audit determined that the basic financial statements present good, in all material respects, the financial position of the City as of

December 31, 2012. This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement 34, as applicable to the City's accrual basis of accounting. The report also includes the Management's Discussion and Analysis and the General Fund Budgetary Comparison Schedule as required by GASB. The Statement of Net Asset and Statement of Activities are fully accrued. The Council reviewed the financial reports and Mr. Porter explained various schedules. Porter stated this was the first year the city incurred debt with the Bertha Authority Improvement Project. He stated the reason the audit expense was more is because they had to do a single audit because of the project with the entire grant and loan money that we received was over \$500,000.00. At the end of the current fiscal year, unassigned fund balance for the general fund was \$107,551 or 49% of budgeted 2012 expenditures. The State Auditor recommends maintaining a fund balance between 35% and 50% of fund balance. Mr. Porter reported that the only issue is the cities lack of employees to separate financial jobs within the city but with a small city this will not go away. He stated that the review of bank statements and bills that the council does is very important to maintain financial integrity. Mr. Porter stated there was only one finding regarding Minnesota Legal Compliance with Minnesota Statutes. For one period tested it was determined that the amount of collateral pledged to secure the City's deposits at a financial institution was not enough to cover deposits as required by Mn Statute Sect. 118A.03. A complete copy of the 2012 city audit is available for viewing at the city office. Motion by Hammond, seconded by Member Olson, accepting the 2012 Financial Statements together with Independent Auditors Report. Carried

C. Public Nuisance

Mayor Klebs informed the council that A.W. Research Laboratories have completed Phase I Environmental Site Assessment on his property on Main Street. Mayor Klebs suggested he had four options for the bus: 1-licensed it, 2-move it from time to time, 3-remove it from the property and 4-construct a lean to over it. There was a brief discussion on what the committee wanted him to do. He said he did not get a list yet from the committee on what they expect him to do on his property. The committee will meet prior to the September meeting. The committee consists of Bobby Berndt, Paul Olson, Joann Collin, Darrell Hoemberg and Doug Kapphahn.

D. Welcome Sign

Clerk Umland informed the council she has contacted two parties to get a quote to have engraving done on the big rock. Neither party has come to look at the rock yet. She will try and have something by the next meeting.

E. Bertha City Council appoints former council member Hoemberg to post

The appointment comes as a result of newly elected councilwoman Mary Liemandt 's resignation earlier due to relocation outside the city. Member Zimmerman read a letter of interest for the vacant council position. Discussion followed regarding the process of filling the vacant position. Mr. Hoemberg previously filled the vacant position left by James Mares. Darrell Hoemberg was the remaining write-in candidate from the last election with the most votes that didn't win. It was moved by Hammond, seconded by Klebs to adopt **Resolution 2013-25 Appointing Darrell Hoemberg to fill the Vacant Seat for the City of Bertha through December 31, 2014.** All voted in favor of the motion.

7. Communications Reports

- A. Reviewed the enterprise reports
- B. **Fire/Ambulance Reports** – Chief Wallner did not have any business to share with the council. The department will hold a tractor pull on September 14th.
- C. **Law Enforcement** – Police Chief Berndt was on hand to give his monthly report. His report included the following for the month of July. The report showed violations as follows: calls (25), citations (5), warnings (9), arrests (1), public assist (7), investigations (3), assisted

agencies (6), alarms (1) and vehicle unlock (3). There was a brief discussion about the number of hours that the city needs for police protection. Member Klebs and Olson will set a meeting with Eagle Bend and discuss the two year agreement for police service.

D. Public Works – Supervisor Templin was on hand to answer any questions on his July report. Mr. Templin stated that he is working with Frank from MRWA and Terry from Team Lab to clean up some of our septic sludge. He informed the council that his current computer is slow and inquired about purchasing a new one. The council gave him approval to start looking and Ms. Liemandt volunteered to help him find one. Mr. Templin inquired about starting a bioaugmentation program for the new ponds as a maintenance item cost for product would be approximate \$2,500 annually. Bioaugmentation is the application of specifically selected bacteria into a wastewater treatment system to enhance the system performance in some way. This item has been delayed until down the road. He will advertise some of the old equipment on MIN BID. The council discussed purchasing a trailer to haul the lawnmowers back and forth to the ponds. There was a brief discussion on purchasing snow removal signs and where they should be installed.

8. Committee Report

Mayor Klebs informed the council that LCMIT has paid out over \$124,000. on the claim of an injured volunteer firefighter. She is still receiving partial disability as far as Clerk Umland knows.

9. Meeting/Conference/Correspondence

- A. Bertha Wellness Center Project Committee will meet August 14th
- B. Upcoming LMC Regional Meeting – no discussion
- C. D-509 Detachment Petition – Dismissal Letter reviewed
- D. City Code - the current city code was sent to the city attorney
- E. Larson Street Lights were removed on July 15th
- F. 2014 preliminary budget was given to each member of the council and Clerk Umland informed the council she kept the levy the same as last year.

A letter from Kathy Sletto was in the council package stating if there isn't enough money after the first mortgage is paid, the program/city is just out the money.

10. Adjournment

There was no further business to come before the City Council. Councilmember Olson moved, Member Hammond seconded the motion to adjourn. With all members in favor motion was carried. The meeting adjourned at 10:00 p.m.