***CITY OF BERTHA***

***REGULAR MEETING OF THE CITY OF BERTHA***

***HELD AT THE BERTHA COMMUNITY CENTER***

***MONDAY, AUGUST 12, 2019***

***Members Present:*** Mayor K. Nelson, Members Olson, D. Nelson, Bowman and Captain

***Staff Present:*** Clerk Umland and Public Works Templin

***Guest Present:*** Chris Bremer & Keith Porter (representing Mayer, Porter & Nelson & Ltd.), Pete Wallner, Marv Stokes, Todd County Sheriff Steve Och, Brenda Roberts, Karen Winkler and Trinity Gruenberg

***Declaring a quorum, Mayor K. Nelson called the meeting to order at 6:30 p.m. and the citizens recited the Pledge of Allegiance.***

***3. Unscheduled Public Appearance:***

 ***An opportunity for members of the public to address the City Council on items not on the current agenda. Items requiring Council action may be deferred to staff or committee for research and future agenda, if appropriate.***

There were no comments from the public during this portion of the meeting.

***4. Communication Reports:***

 ***A.*** Review the enterprise reports for July – no questions

 **B**. Fire/Ambulance Reports – Chief Wallner had no business for the fire department this month. Mayor Nelson read a letter received from a camper about an incident that they encountered during the summer festival. The complaint was discussed ***and the party will be contact to give an apology for the mishap.***

 ***Ambulance Report –*** No report since Mr. Vandenheuvel was not in attendance.

 ***C. Law Enforcement –*** No July activity report was provided since Mr. Berndt has terminated his employment with the City of Eagle Bend.

 **D. Public Works Report –** Mr. Templin supplied the council with his July activity report that summarizes the work done in his department during the month. He stated Bear Country Days was success but suggested the need for more picnic tables and garbage cans. It was suggested that the legs be installed in a different place than the last ones. It was suggested to have 3 that were handicap accessible. Clerk Umland suggested submitting a report to Sourcewell for Small Project Partnership funds. The project funds from Sourcewell would be up to$2,500.00 with city matching the same amount. The council was in favor of Clerk Umland submitting a report to see if we could get funding through their organization to help purchase some new chairs for the community center, a few new cones for traffic control and more new picnic tables for the park.

 **E.** Clerk’s Overview-for review only

***5. Consider Business Items***

 ***A. Police Service Agreement –*** With the recent resignation of Mr. Berndt, the Police Service Agreement has been terminated with the City of Eagle Bend. The council now has the option to pursue law enforcement with the Todd County Sheriff Department. Sheriff Steven Och was in attendance to answer questions that the council might have for law enforcement services. He explained that the county is in the process of increasing the rate for policing to $42.00 per hour. The sheriff stated the office would like at least a two year contract and a minimum of 20 hours per week. Member D. Nelson made the motion, seconded by Bowman, to authorize the execution of a two year Law Enforcement Contract with Todd County and the City of Bertha agreeing to pay $42.00 per hour for law enforcement services for 20 hours per week effective September 1, 2019. Carried. Sheriff Och will have a contract drawn up for the city officials to sign. A deputy will be assigned to work with the property owners that are not in compliance with the nuisance ordinance. The sheriff stated if they don’t come in compliance a state citation can be served on the property owner. The department will provide the council with a monthly activity report.

 ***B.*** Semi-Parking- A draft resolution regulating parking of commercial vehicles was provided for the council to review. The council has tabled this to have more time to evaluate this topic and look at a zoning map to see what is zoned commercial.

 **C.** Appraisal report – LMCIT partnered with HCA Asset Management developed the completed appraisal report for council review. It’s ultimately the member’s responsibility to confirm the property coverage limits are adequate in the event of a loss. The evaluations increased significantly over the past six years. The insurance agent is doing further checking and will report back with the results.

 D. To consider the 2018 Annual Audit of Funds- Bertha Audit Management Letter, Bertha Financial Report for fiscal year 2018 and related Compliance Reports. (Chris Bremer & Keith Porter, CPA’s – Mayer, Porter, Nelson, Ltd)

Keith Porter was present to review the 2018 audit of the City of Bertha. The 2018 audit report contains the Management Discussion and Analysis and the Basic Financial Statements. The audit is reported on the accrual basis with fund accounts. The governmental funds would be the general, fire and revolving loan funds. The business-type funds consist of water, sewer, and ambulance. The governmental funds are supported by taxes and government programs and the enterprise funds are supported by user fees.

***Internal Controls*** are considered in performing the audit and are considered for financial reporting purposes on material weakness and significant deficiencies.

 ***Compliance –***The audit firm performs tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreement, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. Mr. Porter stressed the importance of keeping all records and documents of purchases must be maintained in the city office. Testing results disclosed no instances of noncompliance or other matters that are required to be reported under the Government Auditing Standards.

 ***The Schedule of Findings and responses on Internal Control over Financial Report found three deficiencies noted as follows:***

 ***Finding 2018-01 Lack of control over the financial reporting process-***the council corrective action plan would be to continue to review draft financial statement, tie financial reports to the general ledger, and review a financial statement disclosure checklist.

 ***Finding 2018-02 Segregation of duties-***the small size of the City’s staff limits the extent of segregation of duties. The corrective action plan is to continue to have dual signatures on all checks written and have council review payments made and continue to have a designated council member receive and review the bank statements.

 ***Finding 2018-03 Incorrect sewer billings –***the city should develop controls for reviewing and implementing the base value to be used for the upcoming year in calculating sewer charges. The city should spot check throughout the year to verify the correct seasonal usage is being used. He suggested using a different bi-monthly water usage for the sewer seasonal variance.

There were no significant difficulties encountered in performing the audit and no disagreements with management.

 A motion was made by Member Captain, seconded by Member Olson, to approve the 2018 annual audit of Funds for the City of Bertha along with the audit management letter, financial report for fiscal year 2018 and related compliance reports prepared and presented by Mayer, Porter & Nelson, Ltd. Carried.

 E. Water/Sewer Rates - reviewed three different rate increase options prepared by Mn Rural Water. No action taken at this time

 F. 2020 Budget & Levy - A 2020 preliminary budget and proposed 2018 tax levy was provided to each member of the council which needs to be approved by September 30th and a certified copy must be transmitted to the county.

***6. Consider the Consent Agenda – action required***

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

Mayor K. Nelson asked if there were any additions, deletions, or corrections to be made to the Consent Agenda. Motion by Bowman, seconded by Member D. Nelson to approve the consent agenda as presented. Carried. The consent agenda included the following items;

1. Approval of the July 8, 2019 Regular Council Minutes
2. Approval of the July Disbursements & Authorize Issuance in accordance with the list provided including all electronic payments – Void Check #7259 –Oberg Fence Co.
3. Review Bank Correspondence –Bank Statement & Investment Report
4. Certify/Approve 2019 Schedule for Lump-Sum Pension Plan (SC-19) and authorizing the City Clerk’s signature –Bertha Fire Relief Association annual benefit Level for 2019 is $1,500.00 and 2019 required contribution of $0 from city funds.
5. Resolution 2019-22- Approval to continue with the Community Concern for Youth Program. The cost to the city is $275.00.
6. Zoning Permit 2019-05 – Elvin Greenwaldt – 8X14 Deck – at a rental property located at 200 4th Street NW
7. Bertha-Hewitt Sports Calendar – approved supporting the local sport teams with a single ad at the bottom of the calendar for $60.00 plus photo page for $360.00 to run an ad 18 times at $20.00 each time.
8. Approve Resolution 2019-26 acknowledging a donation from Bertha Volunteer
Emt’s for $1,518.67 for the purpose of assisting the volunteers to maintain their national certification.

***7. Committee Reports – None***

***8. Correspondence/Meetings/Conference***

 ***A. Election Equipment Plan Revision Meeting –*** *Due to lack of action during the 2018-2019 Legislative Session, Todd County is now hard at work finding the best solution to revise their election equipment plan while remaining financially responsible to all of the taxpayers of the County. They will wait a month to make the decision hoping the legislature will make a decision.*

 *B. Focus of new laws – informational purpose only*

 *C. League of Mn Cities leadership team has selected Hewitt to host a meeting to listen to current priorities of cities and hear issues communities are facing.*

 *D. National Healthcare Capital LLC – will be at the September meeting to discuss financing for Tri-County Healthcare for the construction of a new hospital and clinic facility beginning next year. They will be asking the City of Bertha to issue non-bank qualified, tax-exempt debt for both sites in the entire amount of construction financing required, up to a current estimate of $81 million. The first step will be for the city to agree to conduct a public hearing relative to the project and the financing. Tri-County understands that it will be expected to pay or reimburse any related costs to the city.*

 *E. Complaint letter – Mayor K. Nelson will contact the person that submitted the letter*

 *F. Brown, Krueger & Vancura Attorneys at Law is requesting an increase of their hourly rate from $115.00 per hour to $120.00 per hour for legal services.*

 *G. Tina Cronk – The city received a bill from Tina Cronk for mowing a vacant lot in July next to her property. Gene Captain was originally asked to mow this property and was surprise that someone else just took over in July. The council felt prior to any person mowing a vacant lot they must get prior approval from the city to get reimburse. The council all agreed to deny this bill.*

 *H. Todd/Wadena Counties has invited area cities to attend a workshop to get information, updates and responses to health and community issues concerning marijuana. The workshop is scheduled for September 18th at Lakewood Health Systems from 10 a.m. to 2 p.m. The city council and clerk are encouraged to attend if they want.*

***9. Adjournment***

There was no further business to come before the City Council. Member Bowman moved; Member D. Nelson seconded the motion to adjourn. With all members in favor, motion was carried. The meeting adjourned at 8:10 p.m.