

**CITY OF BERTHA
TODD COUNTY, MINNESOTA
REGULAR MEETING OF THE CITY OF BERTHA
HELD AT THE BERTHA COMMUNITY CENTER
MONDAY, AUGUST 13, 2018**

Present: Mayor K. Nelson, Members Olson, Bowman, Captain and D. Nelson
Staff: Clerk Umland, Public Works Templin and Police Berndt
Guest: Pete Wallner, Mark Fay, Roger Schahn, Marv Stokes, Amy Botzet, Brenda Roberts, Trinity Gruenberg, Keith Porter (Mayer, Porter, Nelson LTD), Russ Vandenheuvel, Ken Ashbaugh, Scott Powers and Birch Pettow.

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

Mayor K. Nelson read a letter of appreciation to volunteers involved in making Bear County Days a success.

Public Comments:

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.

Amy Botzet, 205 4th Street NW, thanked members of the council for helping serve the food at the National Night Out event and Traditions Bar & Grill for preparation of the food.

Mark Fay, Traditions Bar & Grill owner, complimented everyone that was involved in making Bear Country Days a success. He also informed the council on the upcoming events planned by Traditions Bar & Grill.

Trinity Gruenberg, reporter for Independent News Herald, stated this would be her last meeting and Marlo Benning would be doing the regular council meeting for Bertha.

Ken Ashbaugh, 207 1st Street SE, praised the emergency crew for the quick response on his 911 call.

Scott Powers, representing the Sports Booster, informed the council on the Alumni Football game scheduled for August 24, 2018 and other events that will take place that evening.

Birch Pettow, 216 Cherry Street, thanked everyone who participated in helping with both events.

4. Communications Reports

A. Enterprise Reports – July reports – review only

B. Fire/Ambulance Reports – Fire department are having issues with the rescue van. They have received the remainder of the FEMA grant last week.

Ambulance Report – Mr. Vandenheuvel suggested meeting with the public safety committee to discuss new service rates and possibly increasing the rate of pay when they attend training meetings. Brenda Roberts stated that the pancake feed will be an annual event and proceeds will be used for continued education and uniforms. The pancake feed proceeds for this year was \$1,800.00.

C. Law Enforcement – Mr. Berndt presented the council with his July activity report. The monthly report showed the following violations for Bertha: 10-citizens calls, 5-citations, 5-warnings, 1-investigations, 2-assist other agencies and 1-accident. Dog licenses will be discussed later.

D. Public Works Report – Mr. Templin supplied the council with his July Maintenance Report for the council to review and give comments.

Linescape – A bid was received from Lee Truax to do some striping in the business district. This includes curbing, crosswalks, handicap parking. Some of the businesses will reimburse the city for marking handicap parking by their business. The total cost to do the painting is for \$1,676.00. Motion by Member D. Nelson, seconded by Bowman to accept the bid from Linescape for striping. Carried. Member D. Nelson inquired why our public works department couldn't do it next time. Mr. Templin said he investigated two sewer backup that were caused by tree roots. Mr. Templin stated that when Johnson Jet-Line televised our sanitary sewer on Hwy 23 & 24 they discovered that the liner was faulty and water was leaking into the sanitary sewer. The one estimate received to patch the current liner was approximate \$8,100 to \$11,400.00 which only had a warranty of one year. Also, some of the manholes need repair. An itemized proposal from Thul Specialty Contracting for rehabilitation of the manholes on Main Street was \$1,650 per manhole which includes all labor and materials. One of the audit findings is the ratio of water billed to water pumped has taken a steep decline compared to prior years and variance was unable to be fully explained. The auditor suggested finding the cause before it becomes a bigger problem. A discussion of what could cause this problem and how to detect the leak. The main meter has just been recalibrated and possibly this could be our problem. Once we do our next billing we will compare the two usages. It was suggested to have Mn Rural Water Association help to try and locate the leak. Street repairs will be done in the next two weeks.

E. Clerk's Review – review only

5. Consider Business Items

A. Nuisance Property Update: A request from Amy Botzet for extension to have until middle of August to have garbage removed from her property. The building at 205 First Street NW has not been demolish and are waiting for contractor to come.

B. Hope Addition One - Hometown Title completed the closing papers for Parcel No. 29-4005400 for Kerry & Linda Nelson for the purchase of Parcel 29-4005400.

Authorizing the Sale of Certain Property.

Resolution 2018-29 –Authorizing the sale of Lot 4 &5, Block 2, -Hope Addition One - \$2,501.00 The seller has put down \$2,501.00 earnest money prior to the council approving the purchase agreement.

Member D. Nelson introduced the following resolution and moved for its adoption:

A Resolution Authorizing the Sale of Lot 4 & 5, Block 2 of Hope Addition One for \$2,501.00 to Martin & Annette Schmidlin.

The buyer has agreed to assume the special assessment for the Bertha Water Improvement Project that was certified in 2017. The council was provided a copy of the purchase agreement for review in the council package. The complete purchase agreement is on file at the Bertha City Clerk's Office. Birch Pettow (other interested buyer) has relinquished at this time and requested that he would have first option to purchase any of the current undeveloped lots when the city decide to sell them.

The motion for the adoption of the foregoing resolution was duly seconded by Member Olson, and the motion passed unanimously.

C. To Consider the 2017 Annual Audit of Funds – Bertha Audit Management Letter, Bertha Financial Report for fiscal year 2017 and related Compliance Reports.

Keith Porter (Mayer, Porter & Nelson, Ltd.) was present to review the 2017 audit of the City of Bertha.

Internal Controls –Internal controls are considered in performing the audit and are considered for financial reporting purposes on material weakness and significant deficiencies. The auditors performs tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. The internal control report found two deficiencies noted as follows:

Finding 2017-01 Lack of control over the financial reporting process. The city will continue to review draft financial statements, the financial reports to the general ledger, review bank statements. The city determined that it is not feasible or cost effective to hire an outside firm for preparation of these statements.

Finding 2017-02 Segregation of duties – this is common in a City with limited number of staff. The city will continue to have a designated council member receive and review the bank statements and canceled checks. The City of Bertha will continue to have dual signatures on all checks written and have the council review payments.

Report on Minnesota Legal Compliance-contains seven categories of compliance to be tested In connection with our audit, nothing came to our attention that caused them to believe that the City of Bertha failed to comply with the provisions of the Minnesota Legal Compliance Audit, except as described below in the Schedule of Findings:

2017- Neither Form IC134 or a Contractor Withholding Affidavit Confirmation were received by the City prior to making final settlement with a contractor. The city will obtain the proper documentation in the future contracts.

Audit Management Letter – Professional standards require that our company communicate to you the following information related to our audit.

Difficulties Encountered in Performing the Audit- we encountered no significant difficulties in dealing with management in performing and completing the audit.

Other Audit Findings and Issues- the ratio of water billed to water pumped has taken a steep decline compared to recent prior years and the variance was unable to be fully explained. A brief discussion concerning this matter was held. The city will consider whether leaks or other reasons have contributed to the difference and seek a solution before it becomes a bigger problem.

Other Matters- the RSI was not audited and the auditors did not express an opinion or provide any assurance on the RSI.

A motion was made by Councilmember Bowman, seconded by Member D. Nelson, to approve the 2018 Annual Audit of Funds-Bertha Audit Management Letter, Bertha Financial Report for Fiscal Year 2017 and related Compliance Reports provided by Mayer, Porter & Nelson LTD Audit Firm. Carried

D. Resolution 2018-28 Approving a rate adjustment for 2019 for water/sewer

The proposed resolution was discussed and tabled. A motion by D. Nelson, seconded by Member Olson to table the resolution to increase the water/sewer rates at this time. Carried.

6. Consider Consent Agenda

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, corrections, or deletions to be made to the Consent Agenda. Motion Member Olson, seconded by Member Bowman to approve the Consent Agenda as presented, with all members voting in favor. The following agenda items include the following.

- A. Approval of the July 9, 2018 Regular Meeting Minutes
- B. Approval of the July Disbursements & Authorize Issuance in accordance with the list
- C. Review Bank Correspondence –Bank Statement & Investment Report
- D. *Prosecution Contract – Todd County Attorney supplied the 2019 prosecution contract. The cost to the City for this service will be \$1,200.00 for 2019 to prosecute statutory gross misdemeanors, misdemeanors and petty misdemeanor violations. This is based upon the average number of cases prosecuted by the county for the city in the years 2016 and 2017 at an estimated rate of \$150.00 per case. .*
- E. *2018 Schedule Form for Lump-Sum Pension Plan (SC-18)*-Acknowledge receipt and Authorize Signatures on the Annual Report-each member received a copy of the report to review. Contained within this schedule form is the City's required municipal contribution for 2019 to the firemen's pension fund. For 2019, the City's contribution share is projected to be zero. The majority of the pension funding comes from the State of Minnesota 2% premium tax. Benefits are payable in a lump sum based on the number of years of service.
- F. Approved Resolution 2018-30 authorizing the write –off of uncollectible ambulance bills for collection by MN Recapture Agency/Collection Bureau and direct the city clerk to remove the accounts from active receivable of the City, said accounts being detailed in the official files of the City. The Expert T Billing has determined that certain accounts, shown on the resolution are uncollectible.
- G. Bertha-Hewitt Sports Calendar – approved supporting the local sports teams with a single ad at the bottom of the calendar for \$60.00.

7. Committee Reports – None

8. Correspondence/Meeting/Conference

A. Pet License – Mr. Berndt was instructed to talk to all owners that haven't purchased current licenses and if they don't serve them with a city administrative fine. The council was provided a copy of the correspondence from the city magazine where some cities are eliminating pet license.

B. Information Only – Notice of Pay Equity Compliance

A certificate of compliance for Pay Equity was received from the Mn Management and Budget for successfully meeting the requirements of the Local Government Pay Equity Act.

C. The council was provided with information on zoning permits that were issued in July. There were two permits issued one for a storage shed at 206 2nd Ave SE and a fence permit located at 305 2nd Ave NW.

D. TULIP – provided from the League resource about help with insurance needs for special events. LMCIT recommends that cities require a \$1 million insurance limit for any special event.

9. Adjournment

There was no further business to come before the City Council. Member Olson moved; Member D. Nelson seconded the motion to adjourn. With all members in favor, motion was carried. The meeting adjourned at 8:15 p.m.