

MAY 3, 2021

The Regular Meeting of the Lake Benton City Council was held on Monday, May 3, 2021 at 5:30 PM in the Lake Benton Area Community and Event Center. Mayor Michael Carpenter, Trustees Rosie DeZeeuw, Mark Dunn, Daryl Schlapkohl, and Dave Enke were present. City Attorney Mike Cable was absent. City Administrator/Clerk Eileen Christensen, Maintenance Supervisor Todd Draper, Danny Krotzer, Lisa Willert, and Leslie Willert from the Lake Benton Valley Journal were also present. Nathan Kinner-Kinner & Company was present via Zoom.

Mayor Michael Carpenter called the meeting to order. The Pledge of Allegiance was recited by all present.

Mayor Michael Carpenter then asked if anyone in attendance had an item, not on the agenda, to bring up during the Open Forum part of the meeting. If so they had two minutes to state their concern. No items were brought forward at this time.

The minutes of the Regular Meeting of April 19, 2021 were reviewed. **MOTION** by Daryl Schlapkohl, seconded by Mark Dunn to approve the minutes of the Regular Meeting of April 19, 2021. Motion carried.

CLAIMS PRESENTED AGAINST THE CITY OF LAKE BENTON:

C & B OPERATIONS	\$ 1,273.87	BOLT'S LB GROCERY	\$ 4.44
OTTERTAIL	\$ 2,409.85	LINCOLN CTY TREAS.	\$ 4,086.00
TODD DRAPER	\$ 32.00	PAT HAYNES	\$ 369.00
KINNER & COMPANY	\$ 10,500.00	HEIMAN, INC.	\$ 66.60
TROY NORDMEYER	\$ 32.00	KYLIE ROCHEL	\$ 125.00
ONE OFFICE	\$ 109.99	PERFORMANCE FOOD	\$ 35.58
BUFFALO RIDGE NEWS	\$ 213.60	THOMAS PLUMBING	\$ 2,147.95
AMAZON CAPITAL SRVCS	\$ 1,019.51	PLUM CREEK LIBRARY	\$ 175.63
DVL FIRE & SAFETY	\$ 554.90	CENTER POINT LARGE PRINT	\$ 44.34
DEMCO	\$ 28.07		

MOTION by Mark Dunn, seconded by Dave Enke to approve payment of the claims presented against the City of Lake Benton. Motion carried and the Mayor authorized the City Administrator/Clerk to make payment.

PUBLIC WORKS UPDATE

Maintenance Supervisor Todd Draper was in attendance for the next item on the agenda which was to review/act on awarding the bid on the Fremont Street Water Main Improvement Project. Maintenance Supervisor Todd Draper informed the Council the bid opening was at 1:00 PM on April 29, 2021 and five bids were provided. There was a difference of \$253.50 between the lowest and second lowest bid, and \$622.00 between the lowest and third lowest bids.

The Engineer's estimated cost was \$188,434.00 excluding the Engineer's fees. The bids were as follows: A & C Excavating in the amount of \$196,103.50; D & G Excavating in the amount of \$195,481.50; T & E Underground in the amount of \$199,481.00; Duininck, Inc. in the amount of \$261,461.00; and Winter Contracting in the amount of \$195,735.00. Maintenance Supervisor Todd Draper received a recommendation from Banner Associates, Inc. to award the bid to D & G Excavating of Marshall, MN with the project to begin mid-July. Mayor Michael Carpenter then read the Resolution Accepting the Bid. **MOTION** by Dave Enke, seconded by Mark Dunn to award the bid to D & G Excavating of Marshall, MN in the amount of \$195,481.50. Motion carried.

MOTION by Rosie DeZeeuw, seconded by Mark Dunn to approve the Public Works Update. Motion carried.

The next item of business was to review/act on the 2020 Audit with Nathan Kinner from Kinner & Company. This item was moved to the last item on the agenda.

The next item of business was to review/act on a resolution and Earnest Money Contract of Sale with Lonnie and Lisa Willert. City Attorney Mike Cable prepared the Earnest Money Contract of Sale to convey the real estate in the Replat of a part of Giles and Mork's Addition described as Lots Seven (7) & Eight (8) of Block Three (3).

The Earnest Money Contract of Sale will need to be authorized by the City of Lake Benton and after authorization is obtained, the Earnest Money Contract of Sale will need to be signed in the presence of a Notary Public by Mayor Michael Carpenter, Administrator/Clerk Eileen Christensen, and Lonnie and Lisa Willert. After the Earnest Money Contract of Sale is signed by all parties, Lonnie and Lisa will need to send a check in the amount of \$1,000.00 to Quarnstrom & Doering, P.A. Trust Account. Lonnie and Lisa Willert have agreed to order an Abstract of Title for the property and pay the same. The remaining amount of \$10,000.00 will be paid to the City on or before the date of closing which is still to be determined.

City Attorney Mike Cable also prepared the necessary resolution that will need to be approved to convey said real property, and was read by Mayor Michael Carpenter: **WHEREAS**, the City of Lake Benton met in regular session on May 3, 2021 for the purpose of selling that real property described as follows: Lots Seven (7) and Eight (8) of Block Three (3) of the Replat of a part of Giles and Mork's Addition, City of Lake Benton, State of Minnesota, **WHEREAS**, the City of Lake Benton wants to sell said real property, and **WHEREAS**, Lonnie Willert and Lisa Willert, husband and wife, offered to pay the City of Lake Benton Eleven Thousand and No/100 (\$11,000.00) Dollars, and **WHEREAS**, the City of Lake Benton met in regular session on May 3, 2021 for the purpose of accepting the offer of Lonnie Willert and Lisa Willert, husband and wife, as Joint Tenants. **NOW, THEREFORE**, the City Administrator/Clerk of the City of Lake Benton certifies the following: 1. That on May 3, 2021 upon a motion made by Daryl Schlapkohl, seconded by Rosie DeZeeuw, and carried that real property described as follows: Lots Seven (7) and Eight (8) of Block Three (3) of the Replat of a part of Gile and Mork's Addition, City of Lake Benton, State of Minnesota, was sold to Lonnie Willert and Lisa Willert, husband and wife, as Joint Tenants, for Eleven Thousand and No/100 (\$11,000.00) Dollars.

The next item of business was to review/act on the notice of water rate increase. City Administrator/Clerk Eileen Christensen previously informed the Council that Lincoln-Pipestone Rural Water System Board of Commissioners approved a \$0.08 increase per thousand gallons in municipal and community water rates. In the past, the Council has added the increase to the citizens of Lake Benton's utility billing. The City's water rate of \$2.74 per thousand gallons will be increased to \$2.82 per thousand gallons effective July 1, 2021 to appear on the August utility billing. **MOTION** by Mark Dunn, seconded by Daryl Schlapkohl to approve increasing the resident's water \$0.08 per thousand gallons effective July 1, 2021 to appear on the August utility billings. Motion carried.

The next item of business was to review/act on city wide clean-up. Mayor Michael Carpenter reminded the Council this topic has been discussed for some time and a letter was mailed to all residents and businesses about cleaning their properties. The letter included reference to Ordinance Chapters 71 and 92 that can be found on the website. It was also indicated in the letter that we appreciate our town and gave them until the second week of May to clean up their properties. If the Council deems the properties not cleaned up effective May 10, 2021, the City will issue a second letter – Notice of Violation. This agenda item is a notice to the residents/businesses what will take place in the next two weeks.

The next item of business was to review/act on a Resolution Accepting Donations to the Library. The Library received donation from Ila Christensen for \$20.00 in memory of Avis Christensen,

and The Fiber Guild for \$75.00. These donations will be designated for collections. Minnesota Statutes state the Library can accept donations for the benefit of recreational services. The Council needs to pass the resolution accepting the donation to the Library. **MOTION** by Rosie DeZeeuw, seconded by Mark Dunn to approve the Resolution Accepting Donations from Ila Christensen for \$20.00 and The Fiber Guild for \$95.00 to the Library. Motion carried.

COMMITTEE REPORTS:

Trustee Mark Dunn – No report.

Trustee Rosie DeZeeuw – No report.

Trustee Dave Enke – The Library Board met on April 22, and Dave reminded the Council he shared with them at the last meeting of their search for two new members to the Library Board, and their difficult time trying to find people to serve. Dave has two calls to individuals and is waiting to hear back from them. When new members have been approved by the Library Board, Dave will bring their names to the Council to appoint. The Library is beginning to open up more for programs which include the Summer Reading Program (SRP) to begin June 2, 2021 with help from the Friends of the Library; and on June 23, 2021 there will be a program entitled Funny Farm Tales Away which includes short stories and puppets. Dave was pleased to announce the Library received a \$600.00 grant which was to be dedicated to the purchase of 35 new books for the Children's section.

Trustee Daryl Schlapkohl – No report.

MOTION by Mark Dunn, seconded by Dave Enke to approve the committee reports. Motion carried.

ADMINISTRATOR/CLERK REPORT:

Jay Doyscher, Commissioner of Southern Plains Football League, contact Administrator/Clerk Eileen Christensen to inquire if the League (which includes the Lake Benton Wildcats) could have their All-Star Football game (to begin at 2:00 PM) and the Championship Football game (to begin at 4:00 PM) at the Lake Benton football field. Since this is the last year the field will be used, Jay felt it honorable to be able to play the last games in Lake Benton. The League will complete the voluntary waiver liability agreement, and either pay for the use of the field or make a donation to the City. **MOTION** by Mark Dunn, seconded by Dave Enke to authorize the Southern Plains Football League to use the football field for their All-Star and Championship Football games on July 24, 2021 and approve the agreement. Motion carried.

The Southwest Regional Development Commission (SRDC) invited the Council to attend a virtual Public Hearing on their budget for fiscal year 2022 (July 1, 2021 through June 30, 2022) on May 13, 2021 at 3:30 PM.

MAYORAL REPORT:

Mayor Michael Carpenter reminded the Council they authorized the Mayor and Administrator/Clerk to clean up the Event Center by painting the walls, cleaning the back storage area, and possibly installing a welcoming entrance on the northeast side of the building before Saddle Horse Weekend. The Mayor and Administrator/Clerk have talked with contractors but none of them can do the work until late summer or early fall. There were concerns and discussion about adding a wall going north to the alley/driveway and the hazards it exposes with snow removal. It was also discussed to move the dumpsters further to the west and possibly adding an awning above the door. Since the construction of an awning has not been approved at this time, Mayor Michael Carpenter and Administrator/Clerk Eileen Christensen will check with a contractor on installing an awning and follow-up with the Council.

Mayor Michael Carpenter then asked the Council and City Staff if anyone has received feedback on the decision made regarding garbage services. Nothing of precedence was received.

Mayor Michael Carpenter informed the Council that he, Trustee Dave Enke, Maintenance Supervisor Todd Draper and Administrator/Clerk Eileen Christensen met with Brad Gillingham of the Minnesota Pollution Control Agency (MPCA) regarding the lagoons and issues associated with the fact they are extremely old and what can be done to fix the problems. The next step will be to meet with Banner Associates and Legal Counsel on what we can actually do. Mayor Michael Carpenter informed the Council the lateral lines from the street to the homes are old and leaking, therefore causing excess water to the outdated ponds. Brad informed the committee there are several communities with this issue and he understands the City's situation.

Maintenance Supervisor Todd Draper stated that over the years, the City replaced the water main west of the Fire Hall and the lateral lines to the houses were not replaced at that time. A lot of sewer mains have also been replaced but they are not getting the Inflow and Infiltration (I & I) on the main line due to possible seepage on individual laterals to the homes. Televising the lateral line is the first step. Banner informed Todd that technology has changed and they will be willing to visit with the City and work in phases on what should be done to correct the laterals.

Mayor Michael Carpenter said there are several options and cost factors involved, and suggested the Council consider doing this next year. MnDOT is scheduled to repair Highway 75 (Fremont Street) in 2027 and the general public needs to know this is an issue. **MOTION** by Daryl Schlapkohl, seconded by Mark Dunn to authorize Maintenance Supervisor Todd Draper and Administrator/Clerk Eileen Christensen to contact Banner Associates and schedule a meeting with the Water/Sewer/Refuse Committee (Mayor Michael Carpenter and Trustee Dave Enke) and move forward with this issue. Motion carried.

The next item of business was to review/act on the 2020 Audit with Nathan Kinner from Kinner & Company. Nathan informed the Council the annual audit went extremely well and the City worked well with his team. The results are included in the presented 76 page report.

Nathan explained the Management Comment Letter for non-public data which explains the report on governmental activities and GASB standards. The qualified opinion on government activity present fairly, and the unmodified opinion is positive for the business-type activities.

Nathan then explained the Management's Discussion and Analysis, which as a whole the City's combined net position increased \$195,913.00 in 2020 and decreased \$1,992.00 in 2019. Revenues in the City's business-type activities increased by 1% in 2020 and decreased by 11% in 2019 and expenses decreased by less than 1% in 2020 and decreased by 30% in 2019. Operations were similar to the prior year. As the City completed the year, its governmental funds reported a combined fund balance of \$1,047,353.00 and \$833,346.00 in 2020 and 2019. The increase in fund balance can be attributed largely to the FEMA and CARES funding that were received during 2020.

The business-type activities increased the City's net position by \$7,064.00 and increased by \$205.00 respectively. The key elements of this increase can be attributed to the decrease in Public Safety and increase in Public Works. The revenue for the City's governmental activities increased by 37% for 2020 and increased 10% for 2019. The increase in revenue relates largely to FEMA and CARES funding. The expenses increased by 12% for 2020 and decreased 4% for 2019. Expenses increased due to spending the CARES funds, sealcoating and other repairs and maintenance.

In 2020 and 2019, the City had \$2,799,719.00 and \$4,013,846.00 respectively invested in a broad range of capital assets, net of accumulated depreciation.

The Statement of Net Position for the Water, Sewer and Garbage funds is \$1,970,958.00 as a whole. Nathan informed the Council while the water and sewer funds were positive and the garbage fund continues to be negative. The Statement of Cash Flow shows cash went up \$10,900.00 and shows a healthy cash position.

Nathan then reviewed the General Fund versus the Actual showed the City received \$176,000.00 for federal and state grants that the City is not going to budget. There were variances in expenditures but nothing major. Public Safety was budgeted for going into 2020 so salaries and payroll for Public Safety were budgeted \$60,000.00 and the City contracted for \$42,120.00 which was favorable. The City had a positive figure on capital outlay. The Public Works had overpayment for repairs and maintenance of street lighting in which the City received rebates. The budgeted versus actual is reasonable and explanatory.

The net position classification is displayed in three components: Net investment in capital assets, restricted net position, and unrestricted net position. The City's policy is to maintain a minimum unassigned fund balance between the ranges of 35%-50% of budgeted operating expenditures for cash flow needs. On December 31, 2020, the unassigned fund balance of the General Fund was 68% of the subsequent budgeted expenditures.

The Notes Outstanding show \$57,000.00 in new loans and this year the Auditors added \$20,772.00 allowance as a bad debt against the Event Center. The Library Fund is not a long term debt has a cash deficit of \$55,317.00. The Revolving Loan and EDA are positive.

Nathan then explained the comments on the current year findings which consisted of an inadequate segregation of duties among its accounting personnel due to the fact the City has a limited number of employees to perform financial reporting duties. This is the same finding as the prior year. Nathan stated it is a very clean audit overall and it was a smooth audit and thank you to Eileen and the Council to make this process work. **MOTION** by Rosie DeZeeuw, seconded by Mark Dunn to approve the 2020 audit completed by Kinner and Company. Motion carried.

There being no further business to come before the Council at this time, a **MOTION** was made by Daryl Schlapkohl, seconded by Mark Dunn and carried, the meeting adjourned.

MAYOR

ADMINISTRATOR/CLERK